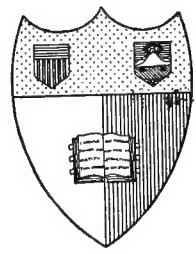
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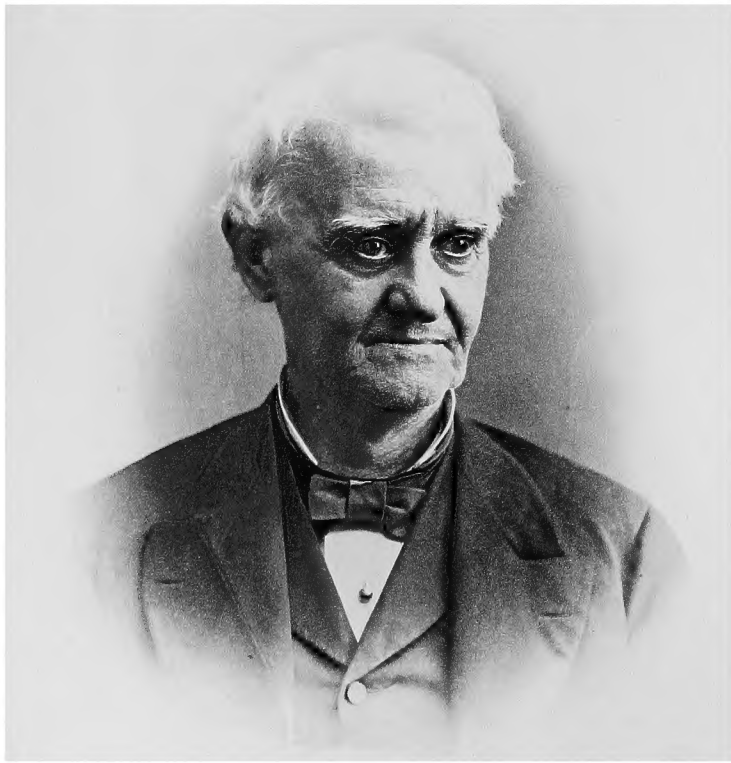
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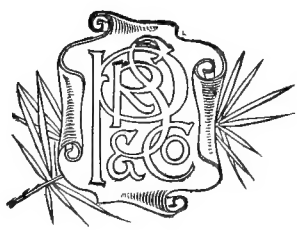
OF

PROTECTIVE TARIFF LAWS

BY

R. W. THOMPSON,

EX-SECRETARY OF THE U. S. NAVY.



CHICAGO:
R. S. Peale and Company.
1888.

E.M.

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" Congress have repeatedly, and not without success, directed their attention to the " encouragement of manufactures. The object is of too much consequence not to " insure a continuance of their efforts in every way which shall appear eligible."

GEORGE WASHINGTON.

" We must now place the manufacturer by the side of the agriculturalist."

THOMAS JEFFERSON.

" There is no subject that can enter with greater force and merit into the delibera- " tions of Congress than a consideration of the means to preserve and promote the manu- " factures which have sprung into existence, and attained an unparalleled maturity in " the United States."

JAMES MADISON.

" We should become a little more Americanized, and, instead of feeding paupers " and laborers of Europe, feed our own."

ANDREW JACKSON.

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PREFACE.

THE information contained in this publication is within the reach of all who have access to public or select libraries, but not to the general public. It has been put into the present form with the hope that it may indicate, to such of the latter as the volume may reach, the sources of trustworthy information upon one of our most important and interesting public questions.

The arguments with reference to the general aspects of the subject have been long since exhausted. It would be as difficult to add any new ones as it would be to write an original essay upon the causes that led to our national independence. In arrangement alone can there be anything like originality.

By the method adopted, opportunity will be afforded to such as desire correct and non-partisan information, to understand what is involved in each of the opposing principles of protection and free trade, and to decide intelligently between them. Nobody ought to desire anything more than such an adjustment of our tariff laws as shall do equal justice to all our business and industrial interests. And every one ought to be satisfied to know how this may

be so accomplished as to supply the Government with the necessary amount of revenue, and, at the same time, foster all the departments of labor and industry, and continue the development of our vast natural resources.

If protection has hitherto produced these results, and the people of the United States shall be assured of this, it would be a reflection upon their intelligence and common sense to suppose them desirous of exchanging it for the uncertain experiment of free trade. If — as the fact undoubtedly is — the necessity for protection constituted one of the principal reasons for the formation and ratification of the Constitution, and its advantages have been exhibited in every department of industry, by the creation of new sources of public and individual prosperity, and by assuring to the nation energy and strength sufficient for self-preservation, — then such an exchange could only be incited by some strange form of popular delusion. It would, to say the least of it, indicate a singular unsteadiness of purpose to destroy a system so commended by accomplished results for one recommended only by those who desire to substitute their speculative theories for actual realities, and their sophistry for demonstrated truth.

What the continued agitation of the tariff question requires from the people is, that they should make themselves familiar with it by thorough investigation — understand its relations to their own and the interests of the Government — take it out of party politics — free it from the dangerous influences of sectional controversy — nationalize it in the broadest and most comprehensive sense —

and thus secure to it that stability which the founders of the Union endeavored to give it. By these means we may reasonably expect that the firm establishment of protection will furnish abundant revenue for the Government, proper encouragement to industry, home markets and fair prices for all surplus products, just compensation to labor, the continued development of our vast resources, and put a stop, as far as well-regulated national policy can do it, to those periodical fluctuations in business to which this agitation has invariably led. Every citizen, no matter what his occupation, is interested in having this great question thus disposed of, and every voter should approach the consideration of it under a just sense of his responsibilities. This volume has no other object than to contribute somewhat to that end.

TERRE HAUTE, 1888. R. W. T.

THE HISTORY AND NECESSITY OF PROTECTIVE TARIFF LAWS.

CHAPTER I.

GENERAL REFLECTIONS—NECESSITY OF MATERIAL DEVELOPMENT TO A NATION—ENGLAND HOSTILE TO IT IN THE COLONIES—HER LEGISLATION TO PREVENT IT.

NATIONS have their periods of birth, youth, maturity and decay. Like individuals, they are influenced, through all the stages of their existence, by the conditions and circumstances they create for themselves, as well as those which exist independently of them. All persons who observe the natural laws of health have a reasonable assurance of long life, while those who violate them are apt to die early. So it is with nations. Such of them as so conduct their affairs as to foster and protect their industrial interests and stimulate them to their fullest development, are almost certain to secure firm and solid foundations. But such as fail in this are equally sure to lead their populations into idleness and imbecility, and subject their fortunes to doubtful and hazardous uncertainties. The growth and durability of nations depend upon their internal and domestic policy. If that is wise, they will continue in prosperity as long as it remains so.

If unwise, they may be assured of only a precarious existence, liable to end when circumstances become adverse. In the course of the world's history the latter have outnumbered the former.

The policy of a nation is well defined as "the art of ordering all things for the common benefit of the citizens of a free state." It is a mistake to suppose that it expresses merely "intrigues of state," or the schemes and plottings of managing politicians. It reaches up to the true standard of statesmanship, and consists of such a series of public measures as incite all citizens to strive for the advancement of their own and the public welfare. He who recognizes the obligation of obedience to the public policy which puts it in his power to do this, is influenced by what is called public spirit, or, more aptly, patriotism. All sorts of people — whether native or foreign-born — willingly yield to the influence of this sentiment when they find themselves in a country like ours, and realize that the government gives them perfect protection in their persons and property, and the best guarantee of liberty and happiness.

Patriotism does not consist alone in fighting the battles of one's country, — although that is one of the most attractive forms in which it displays itself. It is a sentiment firmly imbedded in the mind, and is exhibited as well in peace as in war. It bears fruit in all the paths of life, among the humble and obscure as well as the proud and ostentatious. In the United States, where the mass of the people possess their own homes and realize the sense

of independence created thereby, it is as strong, and vivid, and durable, around the remote hearthstones, in the most secluded parts of the country, as in the highest places of official trust. It stimulates the desire to see all the natural resources of the country, without regard to sections or localities, so developed to the utmost possible extent that the nation may be advanced to the highest point of greatness. It creates a universal interest in all the forms and methods of labor and industry, because these are the surest foundations of public prosperity. It rejoices in every furrow plowed by the cultivator of the soil, in every stroke of the axe and the hammer, in every revolution of the spindle and the water-wheel, in every puff of the engine and the locomotive, and in all the movements of the vast machinery by which the inventive genius of our countrymen has excited the wonder and admiration of the world. Patriotism is always generous, unselfish, manly.

Possessed as we are, in this country, of all the elements of material wealth, in a degree hitherto unknown in the world, it has always been with us one of the most important problems in our political economy to ascertain the best and most certain methods of accomplishing their development. Whatsoever measures of policy are most likely to assure this, have always been, and yet are, best for the whole country, because they make the common prosperity more certain, and the character and influence of the nation more conspicuous and lasting; whereas such measures as tend to arrest or limit this development are sure to produce the opposite effect — to narrow the fields of labor,

shackle industry, crush invention, check the spirit of enterprise, and crowd us out from the front rank among the nations.

Peoples have become great by the power of arms, but only at times when monarchs justified their conquests and maintained their oppressions by the claim of "divine right." But these times are passing away as the relations of the nations to each other are changing. They are approaching each other more nearly every day, and learning more of the common wants and necessities of mankind. Commerce goes everywhere, and there seems to be no limit to its expansion. This condition of the world has excited a tireless race for commercial supremacy, and each nation must decide for itself how it shall get to the front and keep there. Are the people of the United States entitled to this position? They possess a greater combination of advantages than any other people in the world. Their territory stretches out to an almost unlimited extent. The richness and productiveness of their soil are unrivaled. Their climate is so varied as to answer every want and provide for every necessity. Their industry, enterprise and inventive genius are unsurpassed. Their modes of intercommunication exceed those of any other country. They have the most extensive and productive mineral fields hitherto discovered. The eye cannot turn in any direction without observing some new source of wealth and material greatness. And there are almost continually sounding in our ears the shouts of general rejoicing at the rapid growth of our prosperity.

Riches are not absolutely necessary to the greatness or happiness of individuals; but in order that nations may become great and powerful, and exercise a controlling influence in the world, they must possess material wealth. And their greatness and power is increased as this is generally distributed among their citizens. In the United States we see the effect of this in the acquisition of homes and the titles to real property, by which the inducements for adding to the comforts and conveniences of life are increased. In no other country do these advantages exist in so great a degree. But even amid so much abundance as we possess of everything material, labor cannot be dispensed with. It must continue to remain, as it has always been, the most important and essential factor in the nation's greatness. Therefore, the Government should foster and encourage labor and industry, in all their forms, as the means of distributing wealth and increasing the number of homes in every part of the country.

These same problems were before the founders of the Government, to be solved by them. The first step they took had in view, necessarily, the stability of our political institutions; but they realized, at once, that this could not be well assured without the discovery of some means of obtaining for the body of the people the improvement of their condition. And as this could not be done without the general distribution of the sources of prosperity, they found it necessary to adjust their commercial relations with Great Britain — on account of their direct intercourse with that country — upon such a basis as would secure the

necessary protection to all industrial pursuits. They were convinced, at the beginning, that in no other way could the independence of the country be made complete and permanent. They did not seek independence in a political sense only — however hard they struggled to obtain it — but that which would put us in a condition to take care of ourselves, and enable us to compete successfully with other nations in all the fields of industry, enterprise, and commerce. And they had sagacity enough to foresee that this could not be effectively done in any other way than by developing the natural resources of the country, which, even then, seemed to be abundant.

But they were met by a serious difficulty at the first step. This was the want of sufficient power in the government of the Union, as it originally stood, to pass such laws as would foster and encourage domestic labor, in order thereby to reach a condition of equality with other nations. Upon this point the old Articles of Confederation were found to be singularly deficient. That form of government was a mere league between independent States, so jealous of federal encroachment that they withheld from Congress the power to maintain national existence. The Confederation became, consequently, the representative of distinct sovereignties and not of the whole people of the country. The essential powers to levy and collect taxes, and to regulate commerce, were also withheld. Therefore, it required but brief experience to show that if such important interests as these — which concerned all parts of the country, and not particular sections merely — were

to remain wholly dependent upon the action of the separate States, the nation would be left without the means of making its independence complete, on account of the antagonisms which the diversities of rival and local interests might engender.

The discovery of this existing impediment to national development and growth was one of the prime causes — and, perhaps, the most influential — which led to the abandonment of the Confederation and the formation and adoption of the Constitution of the United States. In that instrument the important powers to "regulate commerce with foreign nations," and to "lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare," are assigned most prominent and conspicuous places. A study of the events contemporaneous with the formation of the Constitution will abundantly prove that these powers were not given to Congress merely for the purpose of laying and collecting taxes — as if the Government had nothing to do but to compel contributions from the people for its own support — but to enable it to give just and proper protection to every branch and department of industry — agricultural, manufacturing, and commercial.

Experience in the affairs of government, as in those of private life, is worth far more than theory. When public measures have accomplished the end designed by them, they may be safely repeated where the conditions and circumstances which gave birth to them remain unchanged. Speculative schemes, originating in ingenious

minds, have been often exploded by being brought in contact with the suggestions of common sense. When a government disregards the admonitions of experience and adopts these schemes, it creates difficulties for itself where none might otherwise exist. Therefore, we who are charged with the present duty of seeing that our public affairs are properly conducted, will show ourselves wise by understanding the policy upon which "the fathers" intended our prosperity to rest—why they regarded labor as its basis and built upon that as its foundation.

Until the time when the Colonies declared their independence and established a government for themselves, everything pertaining to their industrial interests and domestic policy was dependent upon the omnipotent will of the English Parliament. History assures us of nothing more certainly than that all its acts relating to the Colonies were expressly intended to prohibit the creation of American commerce in rivalry to that of England, or the establishment of American manufactures, or the use of the natural resources and advantages of this country, in any manner calculated to produce material wealth and absolute independence. From the date of the Navigation laws, passed during the Cromwellian era, all legislation concerning the Colonies had been dictated by the determination to hold them in perpetual inferiority. In 1699 it was enacted "that no wool, yarn, or woolen manufactures of the American plantations shall be shipped thence, or even laden, in order to be transported, on any pretense whatever." In 1719 Parliament declared "the erecting of

manufactories in the Colonies tends to *lessen their dependence* upon Great Britain"—the truth of which cannot be doubted. In 1742 the British Board of Trade reported to Parliament that the Americans had begun to manufacture paper, which, they said, "*interferes with the profits made by the British merchants.*" The same board also reported that woolen and linen fabrics were manufactured in the Colonies, and recommended that some measure should be provided to prevent this. Parliament instituted an inquiry, through the Colonial Governors, in relation to the progress of American manufactures, which resulted in showing that leather, "a little poor iron," and cloths for domestic use, were manufactured;—all of which was considered to be "*prejudicial to the trade and manufactures of Great Britain.*" In response to the Board of Trade, Parliament, in 1732, prohibited the exportation from the Colonies of such articles of manufacture as interfered with like articles in England. No person was allowed to make hats, in any part of this country, who had not served an apprenticeship, and the number of apprentices was limited to two in each case, and these had to be white, as colored apprentices were forbidden. In 1750 Parliament permitted the exportation of pig iron from the Colonies to England, only because the necessities of English manufacturers required it. At the same time, however, it prohibited the erection of mills for rolling iron, in the Colonies, and also the making of steel,—no act of oppression being considered too severe when it was found necessary to strengthen and perpetuate the manufacturing monopoly of England. If any

such mills were found erected in any part of the Colonies, the Colonial Governors were required to treat them as nuisances and to destroy them, under severe penalties for disobedience. Many other measures of equivalent import and severity were adopted from time to time, but these are sufficient to show the spirit which influenced all of them, — that the fixed and unalterable purpose of England was to prevent the United States from ever becoming her commercial rival.

The avowed object of these adverse proceedings was to compel the people of the Colonies to export their raw materials, produced by their own labor, to the markets of England, in English vessels, where they were to be manufactured and then sent back to them in the same vessels, for consumption, at prices dictated by English manufacturers. By these methods it was designed to draw off the wealth of the Colonies and thereby to prevent the possibility of building up a commercial nation on this side the Atlantic. The Navigation laws did not allow any articles of Colonial manufacture to be exported, or any foreign commodity to be imported, except in English ships. And as the Colonies had but little to export, and no ships, the entire carrying trade was thus concentrated in English hands. When the vessels in which the manufactured fabrics of England were brought to this country had to be taken back without a return cargo, in ballast — which was generally the case — the consumer here was required to pay, not only a profit to the English manufacturer, but

double freight across the ocean. All payments were made in specie or its equivalent.

In the presence of such facts as these our early statesmen would have been blind not to have foreseen that unless the people of this country, after their political independence was established, also adopted a retaliatory and defensive commercial policy, they could have neither manufactures nor commerce of their own; that the immense material advantages they possessed would have availed nothing, and that it would be absolutely impossible to build up a great and powerful nation. Fortunately for us, and for the world also, they were wise and prudent men, and conducted our national affairs with sagacity never yet surpassed. They adopted, without delay, the necessary retaliatory and defensive measures; and as these have enabled us to counteract all the early adverse influences by which England intended to humiliate us, we shall omit an important duty by failing to investigate thoroughly their character and import.

CHAPTER II.

LIMITED EXTENT OF UNITED STATES — NO COMMERCE — TRIBUTE PAID TO ENGLISH MANUFACTURERS — PUBLIC SENTIMENT UNITED IN THE DEMAND FOR AMERICAN MANUFACTURES.

WHEN the operations of the Government commenced, the territorial extent of the United States was small, compared with what it now is. The original thirteen States were bounded on the north by Canada, on the south by Florida, on the east, as they yet are, by the Atlantic, and on the west by Louisiana, which embraced the territory west of the Mississippi river. The three great European powers — Great Britain, France and Spain — held the territory immediately contiguous to that of the United States on three sides, leaving the fourth or eastern side as it still continues. There were no possessions west of the Mississippi, no land approaches to the Gulf of Mexico, and no facilities of intercourse between the eastern and the western side of the Alleghany mountains. The rivers emptying into the sea between Massachusetts and South Carolina were the only channels of interior trade, and the navigation of these was confined to the region bordering upon the seaboard. By no other means, except the most primitive, could domestic commerce reach the few cities then beginning to grow upon the harbors of the

Atlantic. By a chronicle of events kept for the year 1787 it appears that, in August of that year, ship-building was so prostrated that there was but one small vessel on the stocks at the city of New York. At the same time there were sixteen British vessels discharging and taking in cargoes, and only "one solitary American" in the port of Philadelphia, and the latter loading with lumber for the West Indies. The whole population was less than that of either of the present States of New York or Pennsylvania, and of the present city of London.

It is not easy for us at this time, when our territorial dimensions have been so greatly extended and our facilities of intercourse so increased, to conceive what the scattering communities then existing thought of the future, or what they imagined would be the degree of strength the nation would ultimately be enabled to acquire. Nor can we understand or fully appreciate the innumerable difficulties and embarrassments they had to encounter. A large proportion of them had emigrated from different parts of Europe, bringing with them differences of habits, customs and religion. These were so marked for a time as to create serious and threatening antagonisms. A careful examination, however, of the history of those times will show the salutary influences which, in the end, swept away the bulk of these prejudices, and so united the whole body of the population as to bring about the determination to make the country independent in fact, as it was in name. But for the train of circumstances bearing upon and contributing to this end, the scepter of government might not

have been successfully wrenched from the crown of Great Britain, and we might have been left without any such history as now not only furnishes us ground for national rejoicing, but excites our vanity as well.

Besides the other obstacles to be overcome in order to create the common purpose to resist foreign aggression, the pursuits of the people of the several sections were so varied by local causes as to demand the most conciliatory measures, in order to escape collisions of interest which would have proved injurious to all. The population of the Northeastern, or New England States, was engaged mostly in commercial pursuits, mainly on account of the severity of climate and the want of a fertile and productive soil. That of the South Atlantic States was engaged almost entirely in agriculture. And that of the Central States exhibited a disposition, from an early period, to pursue manufacturing enterprises. There was no necessary conflict between these several occupations, howsoever seemingly diverse in their nature; and, consequently, the interests of all became, in a comparatively short time, active and united, under the harmonizing influences which grew out of a sense of common necessity, and which have continued to constitute the substantial source of our national prosperity and greatness.

There were, at the time here referred to, but few manufactures in the country. Such as existed had been forced to struggle against the direct, active, and persistent opposition of England. Our entire foreign trade was of little value. All our markets were so glutted with English

fabrics that the wealth of the country was threatened with exhaustion, in order to procure the means to pay for them. Some idea of the severity of this exhausting process may be formed by comparing our imports from England with our exports to that country. A table compiled by English authority shows how much we bought from and how much we sold to that country at the periods referred to:

	Exports.	Imports.
1784	£ 749,345	£ 3,679,467
1785	893,594	2,308,023
1786	843,119	1,603,465
1787	893,637	2,009,111
1788	1,023,789	1,886,142
1789	1,050,198	2,525,298
1790	1,191,071	3,431,778
	£6,644,753	£17,443,284

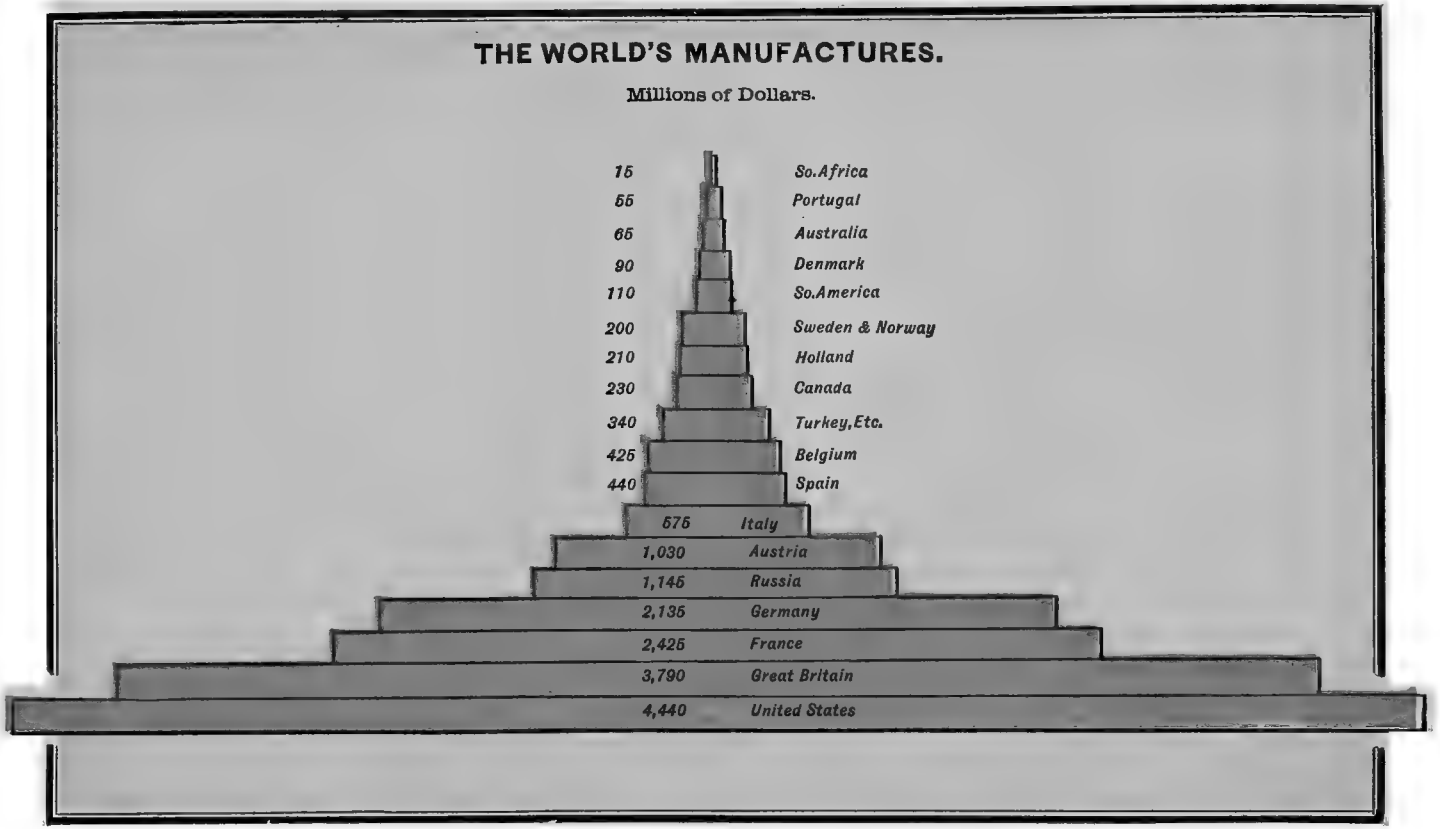
Thus we see what an enormous tribute the people of the United States were paying to England during those years. The aggregate stated now does not seem to amount to much, since, in the computation of our national resources, we have become accustomed to such enormous sums. But the condition of the country was then very different, and the payment of these large balances was a burden exceedingly difficult to bear. The excess of the imports over the exports for the whole seven years was £10,798,531, or $52,372,875, that is, more than $15 for each individual of the entire population. And as this large indebtedness had to be paid in specie or its equivalent, it was easy to realize that the existing condition of affairs could not be continued without seriously impairing the prosperity of the country and weakening the power of the nation. And it is most

instructive even now, as we review the history of that period, to learn how all classes of society, in every section, realized the necessity of practicing the most rigid economy, in order thereby to dispense with articles of foreign manufacture and supply their wants at home by encouraging domestic manufactures. From among numerous evidences of this the following are promiscuously selected, to show the character of the public sentiment and how completely it had become unified.

The ladies of Hartford, Connecticut, entered into an association pledging themselves to retrench their domestic expenses, and to give "preference to the manufactures of their own country." The ladies of Halifax, North Carolina, formed a similar association and made the same pledge. And these examples — one in the North and the other in the South — led to like results in other States, where the same kind of organizations were established and the same pledges made.

An association was organized in Richmond, Virginia, composed of numerous patriotic citizens, who considered it their duty to do whatsoever lay in their power to encourage an increased production in this country, as well as to practice the strictest economy in their domestic affairs. They passed the following emphatic and expressive resolutions:

"Resolved, That we will be at all times ready, by every encouragement in our power, to promote any well-founded scheme of trade and manufacture to which the circumstances of this State are adapted, and the profits of which shall arise and center with her own citizens.


THE WORLD'S MANUFACTURES.
Millions of Dollars.
15 So.Africa
55 Portugal
65 Australia
90 Denmark
110 So.America
200 Sweden & Norway
210 Holland
230 Canada
340 Turkey,Etc.
425 Belgium
440 Spain
575 Italy
1,030 Austria
1,145 Russia
2,135 Germany
2,425 France
3,790 Great Britain
4,440 United States

"Resolved, That the present circumstances of this State are adapted to the manufacture of the coarser woolens, cottons, linens, cordage, leather, and iron; and the production of salted pork and beef, of butter, cheese, soap, tallow and candles.

"Resolved, therefore, That we will use the utmost of our exertions to promote agriculture in general, and more particularly those parts of it which tend most to the encouragement of our manufactures, and to the diminution of our foreign importations."

A society was formed in the city of Boston, Massachusetts, which expressed its purposes in the following strong and earnest language:

"Whereas, the excessive use of articles of foreign growth and manufacture has been attended with the most pernicious consequences, by exhausting our circulating medium, and by diffusing a taste for extravagance; and whereas it is of the utmost importance to encourage industry, frugality, and our own manufactures — to recover a circulating medium — to restore public credit — to facilitate the payment of public and private debts, and thereby to promote the welfare and happiness of our country:

"With a view to these salutary and important purposes, we, the subscribers, do hereby enter into a solemn agreement and association, to refrain from, and, as far as in our power, to prevent, the excessive use and consumption of articles of foreign manufacture, especially articles of luxury and extravagance; and that we will exert our best endeavors for the promotion of industry, and our own manufactures."

The following resolution was adopted at a meeting of the inhabitants of Germantown, Pennsylvania:

"We will individually exert our utmost influence for the promotion of industry and our own manufactures; and will refrain from, and, as far as in our power, prevent, the excessive use of foreign articles of luxury."

A State society was formed in Pennsylvania, known as "The Pennsylvania Society for the Encouragement of Manufactures and the Useful Arts." In setting forth the

objects of the organization the following language was employed:

"The United States, having assumed the station of an independent government, require new resources to support their rank and influence, both abroad and at home. Our distance from the nations of Europe — our possessing within ourselves the materials of the useful arts, and articles of consumption and commerce — the profusion of wood and water, those powerful and necessary agents in all arts and manufactures — the variety of natural productions with which this extensive country abounds, and the number of people in our towns, and most ancient settlements, whose education has qualified them for employments of this nature — all concur to point out the necessity of promoting and establishing manufactures among ourselves."

If history teaches any philosophy at all, it is the outgrowth of the sentiments and opinions which pervade society. The leading events in the life of a nation spring from these, and are fortunate or otherwise as they are wise or unwise. What was said by these several associations shows an extraordinary unanimity of sentiment in the several sections of the country — otherwise it would be difficult to account for the similarity of meaning. Almost precisely the same thoughts are expressed with reference to the wants and necessities of the country, the demands of the times, and the measures of relief. We cannot fail to see, consequently, that the demand for such legislative action as should develop the resources of the nation and establish its material as well as political independence, was practically unanimous. The people, everywhere, were intelligent enough to know that it would be impossible for them to reach a high point of national greatness by any other means, and their patriotism was unselfish and

comprehensive enough to unite them in the support of whatsoever measures should be found necessary to achieve this. If there had been local prejudices before—as there undoubtedly were—they had disappeared under the influence of this spirit of patriotism, which kept down the rancor of party and united the sections in one harmonious whole, with reference to the necessary measures of domestic policy. The foundation of our subsequent prosperity was thus laid, and well laid, by wise and skillful builders.

Many other public meetings were held in a number of the States, and meant more in that day than they do now. In Pennsylvania, especially, the most active and efficient measures were adopted, all looking to the accomplishment of the great end then so anxiously desired by the whole country and all classes of the people. At a meeting held in the University of the State, over which Governor Mifflin presided—the avowed object of which was "to promote every measure that will give our new-born States the strength of manhood"—it was wisely said:

"An extravagant and wasteful use of foreign manufactures has been too just a charge against the people of the United States, since the close of the war. They have been so cheap, and so easily obtained on credit, that the consumption of them has been absolutely wanton. . . . It behooves us to consider our untimely passion for European luxuries as a malignant and alarming symptom, threatening convulsions and dissolution to the political body. Let us hasten, then, to apply the most efficient remedies, ere the disease becomes inveterate, lest unhappily we should find it incurable."

The remedy proposed was an increase of manufacturing establishments throughout Pennsylvania, as advantageous

to every part of society, and especially to such as were engaged in agriculture. Upon this subject it was said :

"Without manufactures the progress of agriculture must be arrested on the frontiers of Pennsylvania. . . . The inhabitants of the fertile tracts adjacent to the waters of the Ohio, Potomac and Susquehanna, besides the cultivation of grain, must extend their views immediately to pasturage, and grazing, and even to manufactures. Foreign trade will never take off the fruits of their labor in their native state. They must manufacture first for their own consumption; and when the advantages of their mighty waters shall be no longer suspended, they must become the great factory of American raw material for the United States. Their resources in wood and water are very great; their treasures in coal are almost peculiar."

When we take into account the position the State of Pennsylvania has since reached — her unsurpassed prosperity and the wonderful development of her resources — it would seem that the authors of the foregoing language were almost gifted with the spirit of prophecy. And this also may be said, with equal propriety, of those who expressed the sentiments summed up in an essay "On the Promotion of American Manufactures," which was extensively circulated at the same time. The following is extracted from it :

"Every man must be convinced that a people who have recourse to foreign markets for almost every article of their consumption, can be independent in name only, and are incapable, under such circumstances, of becoming either great or prosperous. There is not, perhaps, any nation that is rendered so dependent, by nature. And yet, how extraordinary is it, that this country, to which Providence has been peculiarly bountiful in the distribution of those things that contribute to the convenience, ease, and happiness of man, should unnecessarily and wantonly give a preference to foreign commodities, although at the expense of the most important

interests of the Government and individuals! There is no country possessing greater natural advantages, and, consequently, no nation can be more respectable and happy, than the United States may become, by a proper improvement of these advantages; but to make the most of them, we must practice the virtues of industry and economy — virtues essential to the well-being of a republic. Our Government must also promote the introduction of useful manufactures and trades among us, and protect such as are already instituted. Thus we shall employ and enrich our citizens, accelerate the population of an extensive and valuable country, and increase our national strength, dignity, and independence."

It is a fundamental principle of popular government that the commands with reference to public policy, which proceed from the people, should be obeyed. This is not invariably done, but ought to be — for whensoever it is not, it is left to be implied that some power superior to the people exists. This cannot be safely conceded in a government like ours. At the time referred to this principle was universally accepted, and we shall see as we progress that it was obediently adhered to in the legislation that followed, after the Constitution of the United States was ratified. And it will abundantly appear also that the measures adopted to build up manufactures were in precise conformity to the public sentiment then existing with extraordinary unanimity, not in any particular section merely, but in all the sections.

CHAPTER III.

PETITIONS IN FAVOR OF PROTECTION—WASHINGTON RECOMMENDS PROTECTION—NECESSARY TO INDEPENDENCE.

AMONG the first petitions presented to Congress in 1789, immediately after the adoption of the Constitution, was one upon the subject of protecting manufactures. It came from tradesmen, mechanics, and others, of the city of Baltimore, Maryland. After asserting it as an acknowledged fact that the manufacturing and trading interests of the country were languishing, because no effectual provision for their encouragement had been or could be made by the Legislatures of the States, nor until after the establishment of a uniform and efficient National Government, the petitioners said:

"The happy period having now arrived when the United States are placed in a new situation, when the adoption of the General Government gives one sovereign Legislature the sole and exclusive power of laying duties upon imports, your petitioners rejoice at the prospect this affords them, that America, freed from the commercial shackles which have so long bound her, will see and pursue her true interest, becoming independent in fact as well as in name; and they confidently hope that the encouragement and protection of American manufactures will claim the earliest attention of the Supreme Legislature of the nation; as it is a universally acknowledged truth that the United States contain within their limits resources amply sufficient to enable them to become a great manufacturing country, and only want the patriotism and support of a wise, energetic Government."

And, in view of the existing condition of the country — the poor increasing for want of employment, foreign debts accumulating, houses and lands depreciating in value, trade and manufactures languishing and expiring — they petitioned Congress to "impose on all foreign articles which can be made in America such duties as will give a just and decided preference to their labors, and thereby discountenance the trade which tends so materially to injure them and impoverish their country."

Another petition, from the mechanics and manufacturers of the city of New York, was presented at the same session of Congress, equally expressive of the public desire. Alluding to the political independence the country had achieved, and expressing the fear that it might have gained only the form of liberty, while Great Britain still possessed the instruments of oppression and the spirit to exercise it, in the unjust exactions of her commercial regulations, these petitioners thus express themselves:

"Your petitioners soon perceived, with the deepest regret, that their prospects of improving wealth were blasted by a system of commercial usurpation. They saw the trade of these States laboring under foreign impositions, and loaded with fetters forged in every quarter, to discourage enterprise and defeat industry. In this situation they have been prevented from applying to those abundant resources with which nature has blessed this country. Agriculture has lost its capital, stimulus; and manufactures, the sister of commerce, have participated in all its distresses.

"Your petitioners conceive that their countrymen have been deluded by an appearance of plenty; by the profusion of foreign articles which have deluged the country; and thus have mistaken excessive importations for a flourishing trade.

"Wearied by their fruitless exertions, your petitioners have long

looked forward with anxiety for the establishment of a Government which would have the power to check the growing evil, and extend a protecting hand to the interests of commerce and the arts. Such a Government is now established. On the promulgation of the Constitution just now commencing its operations, your petitioners discovered in its principles the remedy which they had so long and so earnestly desired. To your honorable body the mechanics and manufacturers of New York look up with confidence, convinced that, as the United States of America has furnished you with the means, so your knowledge of our common wants has given you the spirit to unbind our fetters, and rescue our country from disgrace and ruin."

These thoughts were expressed by practical and laboring men. They had borne the weight imposed upon them by the adverse policy of Great Britain as long as they felt able to bear it; and realizing that the new Government had been formed for the express purpose of casting off the burden, they confidently invoked the exercise by Congress of its acknowledged power, under the Constitution, to grant the necessary relief to their own and other industrial operations. They not only expressed their own desires, but displayed an accurate knowledge of the condition of the country, and the duties of Congress under the Constitution.

The tradesmen and manufacturers of the city of Boston also addressed a petition to the same Congress, wherein they expressed their regret at the decrease of American manufactures and the stagnation of American ship-building, and said:

"Your petitioners need not inform Congress that on the revival of our mechanical arts and manufactures depend the wealth and prosperity of the Northern States; nor can we forbear mentioning to your Honors that the citizens of these States conceive

the object of their independence but half obtained till those national purposes are established on a permanent and extensive basis by the legislative acts of the Federal Government."

It should not be inferred from the foregoing that this reference to "the wealth and prosperity of the Northern States" was intended to have any sectional meaning. It was not so understood, at the time, by either Congress or the country. In point of fact, there was no sectional sentiment existing anywhere. We have seen that the North was mainly commercial, the South agricultural, and the central part of the Union desirous to become manufacturing. Local and geographical causes gave rise to this diversity of pursuits. But so far from there having been any jealousies or antagonisms on that account, the general sentiment was that the public prosperity would be promoted and the government become more efficient if manufactures should be established in the States best adapted to them, on account of water and other natural privileges, so that the raw materials of the agricultural States could be converted into home fabrics. The opinion was universal that by this means every part of the country would be supplied by home labor and industry with all the manufactured articles necessary for consumption; whereas, without these facilities, all such articles would, from necessity, have to be imported from England, thereby rewarding foreign labor and industry and giving them the preference over our own. The harmony of sentiment then existing all over the country was an admirable exhibition of American patriotism. Whatsoever sectional animosities

have since disturbed our quiet, have been engendered more by the rivalries and ambition of politicians than by all other causes combined.

Petitions amounted to far more at that day than they do now, — not in the weight that should properly attach to them when fairly obtained, but under the circumstances then existing, and on account of the condition of those from whom they emanated. There was no large aggregation of wealth, no great monopolies to excite opposition, and no inviting fields to seduce adventurers to large speculations. Everywhere, throughout the country, the struggle for improvement was just beginning, and as the new Government had been formed to aid the people to benefit their condition and thereby give the nation greater security and strength, the interference of Congress was invoked by those who had the indisputable right to invoke it, in language plainly expressive of the public will. And thus it will be seen that the foregoing petitions, interpreted in the light reflected by the condition of things then existing, gave Congress to understand how firmly the conviction had become fixed in the public mind, that it was one of the primary and imperative duties of the new Government, created by the Constitution, to adopt such measures as would prove effective in giving encouragement to home industry. On every hand and by all sorts of people, howsoever engaged, this was regarded as the indispensable means of developing the natural resources of the country, and of securing its absolute independence of Great Britain

— not in a political sense merely, but in all things pertaining to its material wealth and prosperity.

The proceedings of the first Congress held under the Constitution, and the action of the Executive department of the Government, will explain, as our investigations progress, how far these sentiments were also entertained by the leading minds of the Revolutionary period. At no other time in our history, and upon no other political subject, has there ever been such unanimity of opinion. There is scarcely the semblance of opposition to be discovered.

In his first Presidential message, in 1790, General Washington said:

"The advancement of agriculture, commerce, and manufactures, by all proper means, will not, I trust, need recommendation; but I cannot forbear intimating to you the expediency of giving effectual encouragement, as well to the introduction of new and useful inventions from abroad, as to the exertions of skill in producing them at home," etc.

It should not be forgotten that these were the utterances of the foremost man among all the founders of the Government — of him who stood at the head of American statesmen at the very beginning of the Government, when its track had to be marked out through new fields, hitherto untried and unexplored. It was then manifest to every thoughtful mind that, accordingly as the Government should begin its course, wisely or unwisely, so would it prove to be success or failure. And who was there at that time, or has there been at any other, more competent, on the score of wisdom, or patriotism, than Washington, to

point out the paths of national duty? His clear and accurate and unbiased judgment enabled him to know, with almost infallible certainty, that unless the three great and leading interests of the country — agriculture, commerce, and manufactures — were linked together and simultaneously advanced by Congressional legislation, our independence would be scarcely half achieved. The Constitution had just gone into operation. The contemporaneous events connected with its creation and adoption were perfectly familiar to him. He had presided over the Convention which framed it. He had observed and thoroughly understood the effects consequent upon the want of power by Congress, under the Old Confederation, to levy customs duties and to regulate commerce. Consequently, his first thought was to put into practical operation the authority over these important national interests which the people had conferred upon the new Government to provide for the acknowledged defects of the old and original plan. And in view of the conspicuous success accomplished by the measures then put into operation, it is not too much to say that they have been unsafe counselors who have, since then, advised a disregard of his teachings.

In his second message he was more emphatic, as well as more specific, than in the first. His views became more enlarged as the field of national operations opened before his sagacious and eminently practical mind. Referring to the efforts of the nations most concerned in active commerce with this country, to abridge the means, and thereby

to enhance the price of transporting its valuable productions to their proper markets, he said:

"I recommend it to your serious reflections how far, and in what mode, it may be expedient to guard against embarrassments from these contingencies, by such encouragement to our own navigation as will render our commerce and agriculture less dependent on foreign bottoms, which may fail us at the very moments most interesting to both of these objects. Our fisheries and the transportation of our own produce offer us abundant means for guarding ourselves against evil."

These recommendations were intended as the basis of a general policy which, although called retaliatory, was, at the same time, strictly defensive. In the former sense, its object was to teach Great Britain that the United States would protect their own interests against every form and measure of aggression; and in the latter, that this country would omit nothing necessary to secure entire independence in the use and enjoyment of its natural advantages. For these objects the foundation was to be well laid, under his wise counsel, so that all the industries of the people, in every department of society, should be so encouraged as to lead to their best and fullest development. The wisdom of such admonitions from such a counselor are not to be lightly impeached. There were none to impeach them at the time — none to assert that it would be unwise or unsafe for the nation to take its own future destiny in its own hands. On the contrary, their influence upon the country was exhibited in the prompt action of Congress, by passing the necessary laws to give them full effect and to secure the contemplated ends. And

thus the incipient measures of our domestic policy were molded under the guidance of a man more eminently fitted for that duty than any other then living or who has since lived. It never before happened with any people to have so wise a beginning of their national existence.

CHAPTER IV.

FIRST CONGRESS ADOPTS PROTECTION — ACTION OF THE HOUSE OF REPRESENTATIVES — MADISON INTRODUCES REVENUE BILL — AMENDED BY MAKING IT PROTECTIVE — MADISON SUPPORTS THE AMENDMENT — HIS OPINION OF ITS CONSTITUTIONALITY.

THE first important law passed by the first Congress indicated its character so plainly as to leave no room for any doubt whatsoever. Its title was, "An act for laying a duty on goods, wares and merchandises imported into the United States;" and its first section, or that part which properly stands as its preamble, is in these expressive words:

"Whereas, it is necessary for the support of the Government, the discharge of the debts of the United States, and the *encouragement and protection of manufactures*, that duties be laid on goods, wares and merchandises imported."

Plainer, simpler, or more expressive language could not be found. It is not equivocal in the least, and every common-sense man, with ordinary intelligence, can understand its meaning. It asserts three distinct propositions: *first*, that duties should be laid for the support of the Government; *second*, that they should be laid for the payment of the public debt; and *third*, that they should be also laid for the encouragement and protection of manufactures.

Each of these propositions was distinct from the other two. Yet, whether considered singly or combined, they involved the exercise by Congress of clearly granted constitutional power — about which, at that time, there was no difference of opinion.

It has been said that this preamble was written by Mr. Madison. This is probably true, as the sentiments conveyed by its language were precisely such as he was known to entertain, and, more than once, expressed. His authorship of it, however, is not material, inasmuch as — being a member of Congress at the time — he supported and voted for the bill, which passed the House of Representatives by a vote nearly unanimous, there having been only eight votes against it. The duties discriminated in favor of manufactures, and were therefore protective, as the language above quoted expressly imports. The preamble was manifestly intended to convey this idea, for, although not absolutely necessary to the law, it furnishes a rule of interpretation by which its true meaning is to be ascertained — it is, in other words, an index to point out the legislative intention. The history of this law is, consequently, most instructive, not only on account of its great general importance, but because it identifies Mr. Madison, by his direct agency in the House of Representatives, and Washington, by his approval of it as President, and nearly all the members of the first Congress, with the first distinctive measure of protection which the exigencies of the public service and the common interests of the country demanded at the very beginning of the Government.

Upon the organization of the House of Representatives Mr. Madison, without any delay, introduced a proposition for the collection of import duties. Thus, at the earliest opportunity under the new Government, he invoked the exercise by Congress of one of the most important powers confided to it by the Constitution—that of laying and collecting taxes. It therefore became important that he should accompany his proposition with such an explanation as would enable the country to understand the nature and working of the Government under the Constitution. He had acquired the reputation of being "the father of the Constitution"—a distinction to which he had as much claim as any other one man; and this rendered it manifestly appropriate that he should occupy this conspicuous and responsible position. No man realized more than Mr. Madison the necessity of having the Government begin right—of having the principles, upon which its foundations should thereafter rest, so well established that no subsequent events could impair them. In every country the taxing power is a most delicate one, and it was then especially so in this country, on account of the condition of the people, the derangement of trade, the low standard of the wages of labor, the absence of home markets, the want of a national currency, and, more than all, the dependence of all classes of society upon Great Britain for the necessary manufactured fabrics. Mr. Madison fully realized all this, and acted, evidently, under a full sense of the responsibilities of his position. It is to be supposed, therefore, that he measured the meaning of every word he uttered.

He did not belong to that class of men who employ words to conceal ideas, but to that other and more meritorious class who speak only when some object is to be accomplished, and then with a view of being understood. In explanation of his general purpose he said:

"The Union, by the establishment of a more effective Government, having recovered from a state of imbecility that heretofore prevented a performance of its duty, ought, in its first act, to revive those principles of honor and honesty that have too long lain dormant."

Here, the idea that the Government was strengthened and made more vigorous by the Constitution was distinctly expressed. And, in equally plain-spoken language, the obligation to adopt more effective measures than had prevailed under the Confederation, was also inculcated. Unquestionably, he intended to lay down both these propositions as absolutely essential to the new Government; for, understanding as he did the causes which led to the creation and adoption of the Constitution, he foresaw that the failure to act in obedience to them would be taking a step backward and not forward — like sending a ship out to sea without compass, chart, or helmsman.

The primary object of Mr. Madison's original proposition was revenue — a supply of the means of defraying the ordinary expenses of the Government. It was, consequently, a temporary measure, and provided only for laying duties upon the spring importations of the ensuing year. But accompanied, as it was, by the foregoing explanation, it was manifest that it involved additional considerations, and invoked the exercise of broader and

more comprehensive powers than Congress had hitherto possessed. And it soon became apparent to Mr. Madison and others that the best interests of the country demanded that these powers should be carried to the extent of providing, as far as possible, some remedy for the existing evils. Everybody realized that if they had not been conferred upon Congress, or if, having been conferred, Congress failed to employ them with a view to this end, the country would have gained nothing by the change of Government, — that the attempt to reach a higher and more national plane by the substitution of the Constitution for the Articles of Confederation, would prove utterly abortive. Consequently, by interpreting what followed in the light of Mr. Madison's explicit declarations, and in view of his direct agency in producing the final result reached by Congress, a man, even at this day, would be almost blind who does not see the nature and extent of the new powers conferred by the Constitution ; — that is, that they embrace not alone the authority to levy and collect taxes, but also the authority to foster manufactures and protect every branch of American industry.

The facts about to be stated have a direct bearing upon the question whether or not the first tariff law passed by Congress provided for revenue only, or for revenue and protection. By carefully observing them it will readily be seen that there is no ground for doubt or controversy about the matter, but, on the other hand, that the discrimination in favor of protection is distinctly and palpably shown. Revenue was the primary object, and protection

secondary. Each, however, was independent of the other. And each, as will be hereafter demonstrated, involved the exercise of a distinct and independent power under the Constitution.

On the day following that upon which the bill of Mr. Madison was submitted to the House of Representatives, Mr. Fitzimons of Pennsylvania brought forward, for the first time, the subject of protection to manufactures, by suggesting that the temporary proposition of Mr. Madison be so changed as to convert it into a permanent system. Instead of enacting provisions applicable only to the importations of a single year, he considered the time as having arrived when a general policy applicable to the whole future should be established. Therefore, he proposed to increase the duties, and in support of this proposition said:

"I have prepared myself with an additional number, which I wish subjoined to those already mentioned in the motion on your table; among these are some calculated to *encourage the productions of our country, and protect our infant manufactures.*"

This declaration was plain and emphatic. It left no room for the slightest doubt as to the true meaning and scope of Mr. Fitzimons' motion. It involved, not the question of expediency alone, but of constitutionality as well. As regarded the former, that, of course, had to be determined by the bearing of the proposition upon the necessities of the business interests of the country; and as to the latter, if there had been any question whatsoever about the constitutionality of the proposed measure, that was a most appropriate time for the suggestion of it. There has never been a more fitting occasion for discussing

and settling that question than when the first step toward protection was about to be taken, while Washington was President, with Madison in the House of Representatives, and many other leading and eminent men present, all of whom were familiar with the contemporaneous events that led to the establishment of a strong and efficient Government in place of a weak and inefficient one.

It may seem strange to many of the present time, who have not investigated the matter, that the constitutional power of Congress to protect manufactures and other American industries, was not then denied; or if it were, that it was not done by any distinguished enough to entitle their opinions to be handed down to us. Undoubtedly, it is to be presumed that the question of the general extent of the powers granted to Congress by the Constitution, was present in the minds of all the cautious and enlightened statesmen who were then engaged in the important work of placing the Government upon solid foundations; to suppose otherwise would be to lessen their claim to our veneration. Manifestly, Mr. Madison considered it when he uttered the sentiments already quoted. But what he then said was not in answer to an objection from any quarter. It was the mere laying down of an affirmative proposition, rendered necessary by the change of Government. And such was the case also when — still without any objection on the score of constitutionality — he went a step beyond what he had originally said, and addressed himself to the pending motion of Mr. Fitzimons, which

directly involved the power of Congress to protect manufactures. During the discussion he said:

"I presume that, however much we may be disposed to promote domestic manufactures, we ought to pay some regard to the present policy of obtaining revenue."

And, to make himself better understood, he further said:

"Duties laid on imported articles may have an effect which comes within the idea of national prudence. It may happen that materials for manufactures may grow up without any encouragement for that purpose. It has been the case in some of the States, but in others regulations have been provided, and have succeeded in producing some establishments, which ought not to be allowed to perish from the alteration which has taken place; it would be cruel to neglect them and direct their industry to other channels; for it is not possible for the hand of man to shift from one employment to another without being injured by the change. There may be some manufactures which, being once formed, can advance toward perfection without any adventitious aid, while others, for want of the *fostering hand of the Government*, will be unable to go on at all."

In this apt language Mr. Madison embraced the whole question of constitutional power. Although it had not been insisted that the protection of manufactures would violate the Constitution, yet, with the motive already indicated, he probably desired to place the question of constitutionality beyond all cavil, by asserting, at once and unqualifiedly, that the power existed as a necessary part of the machinery of the new Government. All the proceedings plainly indicate that he did not regard it as important enough to require serious discussion, and, therefore, he treated the pending proposition to increase certain

duties as involving nothing more than mere expediency. Where manufactures had grown up under the fostering care of the States, they might not, in his opinion, require the same amount of protection as those still in their infancy. But the latter "ought not to be allowed to perish" for the want of such protection as their necessities required. These he thought might not be able to go on at all, if "*the fostering hand of the Government*" were not extended to them; — that is, unless Congress gave them proper protection. In his mind the question of constitutional power was the same in both cases — whether manufactures already existed or should be thereafter created — and he treated it by simple and direct affirmance, as not open for argument, and as not furnishing any ground for controversy.

What followed before the measure was finally disposed of by the House of Representatives, made it necessary that he should give even more emphatic point to his opinion; which he did in such a way as to command universal assent, not in Congress alone, but throughout the country. If there were any disposed to take issue with him, their adverse opinions have not been deemed worthy of preservation, or, if preserved at all, it has been so obscurely done as to render them now impossible of access.

The fact is indubitable that Washington and Madison were in perfect accord with regard to the constitutionality and necessity of protection to manufactures. They were, in many respects, alike — especially in that deliberateness of purpose and clearness of judgment which, being every-

where recognized, gave so much weight and influence to their opinions. Their minds were not unlike in many respects, and although differently developed by circumstances, they were equally intent in making the welfare of the nation their chief and dominant aspiration. Especially did this purpose influence both of them during these early years, when they closely and intimately united in the great work of giving vitality and vigor to the Government. It will be an evil hour for the country when we shall be persuaded to regard their paternal admonitions in any other spirit than that of filial reverence. The experience of our history attests this.

CHAPTER V.

FIRST ACT OF CONGRESS FOR BOTH REVENUE AND PROTECTION — OPPOSED BY THOSE OPPOSED TO THE GOVERNMENT — PROTECTION DEFENDED BY ABLEST MEN IN CONGRESS — ITS CONSTITUTIONALITY UNDOUBTED — TARIFF OF 1789 PASSED — APPROVED BY WASHINGTON — UNIVERSALLY CELEBRATED.

IN view of the fact that the motion of Mr. Fitzimons directly involved an increase of duties over and above the revenue standard fixed by Mr. Madison in his original bill, and his express avowal that it was his object thereby to foster and protect manufactures, its great significance will be perceived. The discussion and final adoption of it also become important.

Mr. Madison, giving his assent to the amendment, said:

"I have no objection to the committee's accepting the proposition offered by the gentleman from Pennsylvania. . . . I think some of the propositions may be productive of revenue, and some may *protect our domestic manufactures*," etc.

How could he speak more plainly? He puts both questions — revenue and protection — in immediate connection, and in the briefest possible compass. No sophistry, however ingenious, can torture what he said into doubtful meaning. His original proposition had reference to revenue alone, and the motion of Mr. Fitzimons to protection also. Each was distinct from the other — intended to produce its own independent effect — but combined

they presented precisely the same questions and considerations as have always arisen in tariff legislation. Consequently, Mr. Madison's acceptance of Mr. Fitzimons' proposition to increase the duties is an express affirmance by him of the doctrine of protection, as it regards both its expediency and constitutionality.

An attempt has been made to escape this conclusion, upon the alleged ground that this first bill, as introduced by Mr. Madison, was not protective, but was a revenue measure exclusively. That does not answer the allegation that the act as it stands upon the statute-book is protective. Independently of the language used in the preamble, and which is as express as words can make it, the other evidence is conclusive. Mr. Fitzimons declared his object to be to "protect our infant manufactures," and, consequently, his amendment included, not only an increase of the duties proposed for revenue by Mr. Madison, but the introduction of an "additional number" of articles for protection. The discrimination in favor of protection could not have been made more direct and positive. There can be no room for equivocation about so plain a matter. But if there were, all doubt must be dispelled by the additional fact that the amendment of Mr. Fitzimons was opposed, by a few only, upon the ground that it was protective—that is, because it embodied the independent and distinctive principle of discrimination in favor of manufactures, with the avowed purpose to protect them. This must be held to have been full notice of its character;—so that everything said was advisedly spoken, and every vote was

cast with full knowledge of its effect. This opposition, however, did not arise out of any doubt about the constitutional power of Congress; but was based upon other and wholly distinct grounds, involving alone the question of expediency. Pending a proposition to levy a duty on salt, Mr. William Smith, of South Carolina, attacked it by asserting that "however small the duty it will furnish a pretext to the seller to extort a much greater sum from the consumer," etc. Although this argument did not produce the slightest effect — for the leading minds of that day were too wise to be misled by such fallacy — the fact of its having been made proves satisfactorily that Mr. Fitzimons' amendment meant protection alone, and that it was so understood. All that Mr. Smith accomplished was to furnish the main argument which the enemies of protection have ever since employed, and which they continue to employ to-day with as much seeming confidence as if it had not been exploded more than a thousand times. But howsoever unavailing it may have been in the presence of the men who then composed the House of Representatives, its having been made proves that Mr. Fitzimons' amendment was understood and voted upon in the precise sense in which he explained it.

This, however, was not the only ground of Mr. Smith's opposition to the levy of discriminating or protective duties. And what he said beyond this is worthy of remembrance, because, although unimportant at the time, the sentiments he uttered have since worked an infinite amount of mischief — far more than he designed or desired. He said:

"It is believed that the inhabitants of the interior of South Carolina are *opposed to the new Government;* it will be a melancholy circumstance to entangle ourselves at this time among the shoals of discontent; yet no stronger impulses could be given than the proposed tax. Conceiving it in this light, he was against the measure."

Here the idea of opposition to the Government after the adoption of the Constitution and that of opposition to protection as a measure of public policy, were united together; that is, it was threatened that, if discriminating duties were levied for the protection of manufactures, there was danger of resistance, even to the extent of entangling the nation "among the shoals of discontent." This diversity of sentiment, whilst not extensive enough to influence results, nevertheless divided the country into two classes: the first represented by nearly the whole population in all the States, and the second by a small, and, in point of numbers and influence, an insignificant faction. The line of division between these two classes is perfectly apparent: on one side were the friends and supporters of the new Government advocating protection; on the other the enemies of the Government were the opponents of protection. It was fortunate for the country that Mr. Madison was a member of the House of Representatives when the attempt was first made to draw this line, both on account of his recognized ability and the conservative tendency of his mind. He met the issue promptly, but did not rebuke the threat with any sternness, for that would not have been consistent with his nature or temperament. On the contrary, he quietly withdrew from it whatsoever sting it was designed it should have, by remarking:

"Certainly it requires but time for reflection to discover, in every point of view, the justice of the measure now proposed."

Not only was the question then pending settled in favor of protection, under his commanding influence, but when it again arose in other stages of the bill, it was invariably determined in the same way — everybody understanding the distinction between duties levied for revenue only, and those for both revenue and protection. There is abundant evidence of this.

A proposition was submitted by Mr. Sherman, of Connecticut, to levy a duty on manufactured tobacco. The avowed object was to afford protection to the manufacturers of that article; but he went even beyond this, in explaining his motion, by remarking that "he thought the duty ought to amount to a *prohibition.*" Notwithstanding this extreme view expressed by him, his motion was adopted without any debate — no disposition to controvert his theory having been shown.

Mr. Carrol, of Maryland, moved to insert "window and other glass" as dutiable articles, upon the alleged ground that "a manufacture of this article was begun in Maryland, and attended with considerable success," but required protection. The motion was agreed to.

Mr. Clymer, of Pennsylvania, insisted on giving protection to the paper mills of that State, saying that "as they had grown up under legislative encouragement, it was wise to continue it."

Mr. Ames, of Massachusetts, introduced a proposition for protecting the manufacture of wool cards, and insisted

that, by that means, they could be made as good and as cheap as those imported from abroad.

These details are valuable only as showing the general purpose entertained, inasmuch as every important amendment offered, with the view of protecting the several branches of manufacturing industry, was adopted and became part of the law. There was no other question with reference to any of them, except the extent to which the duties should be carried for the purpose of protection. That was the result desired, and all inquiries centered in it. Upon the greater part of the articles the duties were seven per cent, for the purpose of revenue; but upon others a *specific* duty of fifteen per cent was laid for protection — the latter being over a hundred per cent more than the former. Everything done and said, in fact, exhibited the fixed determination to make the duties protective where it was necessary to encourage manufactures.

When a proposition in relation to coal was under consideration, Mr. Bland, of Virginia, said:

"That there were mines in Virginia capable of supplying the whole United States, and if *some restraint were laid on the importation of foreign coal*, these mines might be worked to advantage."

Mr. Madison, participating in the general discussion, and, manifestly surveying the whole field of national duty, thus expressed himself:

"I am a friend to free commerce, and, at the same time, a friend to such regulations as are calculated to promote our own interests, and this on national principles. The great principle of interest is a leading one with me, and yet my combination of ideas on this head leads me to a very different conclusion from that made by the

gentleman from New York (Mr. Lawrence). I wish we were under less necessity than I find we are to shackle our commerce with duties, restrictions, and preferences; but there are cases in which it is impossible to avoid following the example of other nations in the great diversity of our trade."

He carried the discussion to the point of considering the question of the constitutional power of Congress to protect manufactures, not so much because the power had been expressly denied, but because, in all probability, he considered it necessary that at the beginning of the new Government there should be no mistake upon a question of so much importance. And such was his commanding authority as a constitutional lawyer, that what he said upon that subject put the question at rest, where, but for evil counsel, it would have remained during all our subsequent history. He said:

"There is another consideration. The States that are most advanced in population and ripe for manufactures ought to have their particular interests attended to in some degree. While these States retained the power of making regulations of trade, they had the power to protect and cherish such institutions. *By adopting the present Constitution they have thrown the exercise of this power into other hands. They must have done this with an expectation that these interests would not be neglected here.*"

When the character and ability of Mr. Madison, together with his prominent agency in making the Constitution, are taken into account, this would seem to be so conclusive as to close the door against further controversy. It demonstrates the constitutional power and duty of Congress to protect every form of American industry, as clearly as Euclid has demonstrated the simplest of his

mathematical problems. Under the Confederation the States retained the power to protect their own manufactures; but when the Confederation was abandoned and the Constitution adopted, this power was turned over to the new National Government and placed in the hands of Congress. And thus the whole argument is so condensed and so clearly stated by Mr. Madison, that it may be fully comprehended at a single glance. It has never yet been overthrown, and cannot be. It is denounced, in general terms, as unsound, only by those who fail to realize that such persons as are most apt at denunciation are least apt in argument.

But Mr. Madison was not alone in making this argument; he was supported by others of eminent ability. Mr. Baldwin, of Georgia, who was also a member of the National Convention which framed the Constitution, was equally emphatic in stating his views of the necessity which led to the adoption of the Constitution, in so far as it grew out of the derangement of trade and our commercial relations with Great Britain. He said:

"The commercial restrictions Great Britain placed upon our commerce, in pursuing her selfish policy, gave rise to an unavailing clamor, and excited the feeble attempt which several of the State Legislatures made to counteract the detestable regulations of a common enemy; but these *proving altogether ineffectual to ward off the effects of the blow*, or revenge their cause, the convention at Annapolis was formed for the *express purpose of counteracting them on general principles*. This Convention found the completion of the business impossible to be effected in their hands; it terminated, as is well known, in calling the Convention who framed the present Constitution, which has perfected a *revolution in politics and commerce*.

"The general expectation of the country is, that there shall be a

discrimination; that those nations who have not yet explained the terms on which an intercourse shall be carried on, or who have, by establishing regulations bearing hard upon such intercourse, may know our ability and disposition to withhold or bestow advantages, according as we find a principle of reciprocity prevail. Thinking a discrimination necessary, and knowing that the voice of the people calls for it, we shall not answer the end for which we came here by neglecting or refusing to make it."

This argument was not intended to apply to discriminating duties, but to our discrimination among nations,—enforcing our duty to retaliate against those which did not hold commercial intercourse with us upon principles of reciprocal friendship. But it serves to show how well it was then understood that the new Government had been substituted for the old one, for the express reason that the latter had not and the former had the power to regulate commerce and trade, and thereby to protect all the departments of industry. Whensoever it should become necessary to discriminate in our own favor, as against other Governments, by protecting any of our domestic industries, the Constitution has given to Congress the power to do it. The premise is unquestionable, and the conclusion logically follows it. Mr. Madison affirmed these views more directly by saying:

"The people adopted the new Constitution, I believe, under a universal expectation that we should collect *higher duties;* we must do this, if we mean to avoid direct taxation, which was always a mean of revenue in the particular States."

Again, he said:

"Let us review the policy of Great Britain toward us. Has she ever shown any disposition to enter into reciprocal regulations? Has

she not, by a temporary policy, plainly declared that, *until we are able and willing to do justice to ourselves, she will shut us out from her ports, and make us tributary to her?* Have we not seen her taking one legislative step after another to destroy our commerce? Has not her Legislature given discretionary powers to the Executive, that so she might ever be on the watch, and ready to seize every advantage the weakness of our situation might expose? Have we not reason to believe that she will continue a policy void of regard to us, whilst she can continue to gather into her lap the benefits we feebly endeavor to withhold, and for which she ought rather to court us by an open and liberal participation of the commerce we desire? Will she not, if she finds us indecisive in counteracting her machinations, continue to consult her own interest as heretofore? If we remain in a state of apathy, we do not fulfill the object of our appointment; most of the States in the Union have, in some shape or other, shown symptoms of disapprobation of British policy. Those States have now *relinquished the power of continuing their systems*, but under an impression that a *more efficient Government would effectually support their views.* If we are timid and inactive, we disappoint the just expectations of our constituents, and, I venture to say, we disappoint the very nation against whom the measure is directed."

The grasping ambition of Great Britain in seizing to herself every advantage in commerce was, more than once, referred to by Mr. Madison. He dwelt upon it with great earnestness, as an argument to show how important and necessary it was that the United States should counteract this policy by protecting and developing their own trade and commerce. And he did not hesitate, when the occasion called for it, to express his readiness to aid in giving protection to manufactures as the most certain and effective means of doing this. At one time, speaking directly upon this point, he said:

"He hoped gentlemen would not infer from this observation"

[that the articles in the bill were generally taxed for the benefit of the manufacturing part of the Northern community] "that he thought the encouragement held out by the bill to manufactures improper. *Far from it. He was glad to see their growing consequence, and was disposed to give them every aid in his power.*"

Supported, as the question of constitutional power was, by such an array of talent and strength of argument, the opposition to the bill was too feeble to make any impression. After numerous amendments were made, levying discriminating duties for the protection of manufactures, it passed the House of Representatives with so little opposition as to make it almost unanimous. It passed the Senate with like unanimity, and was approved by President Washington, July 4th, 1789 — causing the event to be regarded throughout the country, on account of the general rejoicing it occasioned, as a second Declaration of Independence.

The questions involved in the passage of this bill have since given rise to much partisan and acrimonious debate, yet they were then determined so calmly and dispassionately by the men entitled to be known as "the fathers," as to give their opinions the greatest possible weight. On all hands, it was agreed that the power to foster manufactures was originally lodged in the States, under the Confederation, but that, as the States could not carry on measures of proper efficiency, it had been expressly given to Congress by the Constitution. There was no denial of this by anybody. On the contrary, it was frequently stated, and never controverted, that to effect this important change was one of the main objects which led to the

formation of the Constitution. If this had not been so, the occasion was a proper one for denying it, when there were so many present who could have borne testimony. It has been denied many times since then, with a sort of impunity that can be entertained only by those who scoff at the example and admonitions of the founders of the Government, as if they were mere empirics and pretenders. But he who would have ventured to make it at the time this first tariff law was under consideration, would have exposed his own ignorance and folly. The country was not then far enough from the old form of Government to forget its weaknesses and defects. It was in the act of taking the initiatory step of putting the new Government into operation, for the express purpose of removing these weaknesses and defects, and the history of the times, with which all were familiar, would have furnished an ample answer to any objection.

The tariff law of 1789, therefore, must fairly and justly be accepted as having settled, as far as it could be done by legislation, the constitutionality of giving protection to manufactures, and as having laid the foundation upon which the protective policy has since rested. He who, after becoming familiar with the plain and precise facts, perversely insists upon putting a different interpretation upom them, makes his "wish father to the thought," or is singularly incapable of understanding history and the philosophy it teaches.

CHAPTER VI.

WASHINGTON APPROVES PROTECTION OF MANUFACTURES—HOUSE OF REPRESENTATIVES DIRECTS REPORT FROM HAMILTON, SECRETARY OF THE TREASURY—HIS BROAD FIELD OF INQUIRY.

THE facts heretofore noted show that, at the beginning of the Government under the Constitution, when the duty of establishing correct policy was most imperative, and while the men who framed the Constitution were still in active public life, the revenues of the nation were raised, not by duties upon imports laid for that purpose alone, but by discriminating duties, levied so as to protect and encourage manufactures. The avowed object was to prevent manufactured articles imported from other countries from being brought into such competition, in our own markets, with those manufactured here as would supersede the domestic use and sale of the latter. This policy, established with singular unanimity, involved the direct introduction into our national affairs of the principle of protection, as a measure absolutely demanded by the best interests of the country—as necessary to develop its immense natural resources and increase its material wealth. From that time until the present this principle has never been entirely abandoned, and, in every form in which the national will can be expressed, it has received the popular

approval. It would seem that a principle so thoroughly engrafted upon the policy of the nation, and so long acquiesced in by the people, would encounter no serious opposition from any quarter. And, in fact, it has not, except from a class of people whose distinguishing characteristic is, that while, in one breath, they admit the controlling influence of popular sentiment under a form of government like ours, are ready, in the next, to enter into combinations of any kind to defeat it. Even in the early period of Washington's administration the policy was considered well established. In his last message to Congress he said:

"Congress have repeatedly, and not without success, directed their attention to the encouragement of manufactures. The object is of too much consequence not to insure a continuation of their efforts in every way which shall appear eligible."

There is no mistaking such language as this; it cannot be tortured by misconstruction. It asserts, first, the fact that Congress had previously exercised the constitutiona power to protect manufactures, and then expresses the desire to see this principle maintained "in every way" calculated to build up and sustain manufacturing enterprise. And, not content with leaving so important a matter in the mere form of a recommendation to Congress, he addressed these words of admonition to the country with reference to manufactures on public account:

"Ought our country to remain in such cases dependent on foreign supply, precarious, because liable to be interrupted? If the necessary article should, in this mode, cost more in time of peace,

will not the security and independence thence arising form an ample consideration?"

The controling idea in the President's mind was this: That it was our duty to develop our extensive resources, so as to make us completely independent of all foreign Governments and influences, as well in peace as in war—both in fact and theory. And can there be any just pretense for saying that this duty is not as obligatory to-day as it was during the period of Washington's administration? Our development was then just beginning; and although it has now reached a point of progress perfectly marvelous, yet it is still far from the end; no human authority can limit it, and no human sagacity foretell its future extent. If the principle of protection, with a view to this development, was wrong and false at its inception—if anybody had then supposed that it violated the Constitution or concentrated any undue powers in the national Government, at the expense of or injurious to the States, then was the appropriate and most fitting time to make that opinion known—when those who made the Constitution were in a condition to explain its meaning. The absence of such an avowal, in the first Congress, when the constitutionality of protection was emphatically and frequently affirmed, ought to be held as proving that there was then no doubt whatsoever about its existence. We have seen that the utmost extent of the opposition was that made by Mr. Smith, of South Carolina, and that he only intimated the existence of a sentiment of hostility to the Government itself, as a whole, without averring or

pretending that Congress did not possess the necessary power to protect. To him it seemed inexpedient to impose protective duties, because it would furnish a pretext to the manufacturers to increase the prices of manufactured articles to consumers — a fallacy which, as will be hereafter seen, is overthrown by all experience. He did not — nor did any others — impute to Washington, Madison, and their compatriots, any purpose to violate the Constitution, when enforcing the necessity of protection. There was no possibility of misunderstanding their argument, especially that of Mr. Madison — that if the power did not exist in Congress, it did not exist at all, for the reason that, as the Constitution took it away from the States, it must have been totally annihilated if not given to Congress. It was a part of the public history of the time, well understood by all, that its annihilation was neither desired nor intended, either by the State Government or the people. Such a desire would have been equivalent to a wish to leave the industrial interests of the whole country to sink into decay and ruin, whereas the very opposite sentiment existed in all considerate minds. In the House of Representatives, especially, this sentiment almost universally prevailed, and led to the passage of a resolution instructing the Secretary of the Treasury — then Alexander Hamilton — to prepare and report a plan "*for the encouragement and promotion of such manufactures as will tend to render the United States independent of other nations for essential, particularly for military, supplies.*"

This resolution was undoubtedly passed in response to the opinions and recommendation of Washington; and its phraseology was well considered. It was a measure of wise precaution in order that the inquiry should be calmly and deliberately made and a satisfactory result reached. It was intended to cover all the questions involved, and to explain fully all the objects expected to be accomplished by protecting manufactures. And it was manifestly designed to convey the idea, then prominent in the public mind, that the only way to make this country "independent of other nations" was to foster its domestic industry by the necessary measures of legislation. It expresses what was frequently said in debate in the House of Representatives; and, having followed so immediately the passage of the first tariff act, it must be considered as showing that Congress intended to employ the necessary scrutiny to make the protective system complete and permanent.

The unanimity upon the whole subject was extraordinary — it was probably more so than has ever existed with regard to any other important public measure. The questions involved were considered in their national aspects alone, and it was not then supposed possible that anything would be likely to grow out of them which could give rise to sectional jealousies and animosities. The country had too recently passed through the throes of the Revolutionary period for its loyalty to all the sections and the whole Union to undergo any abatement. There was enough to do in the work of building up the Nation, without wasting

the popular energies or straining the popular patriotism in struggles for local supremacy.

The Secretary of the Treasury, in obeying this resolution, exhibited a proper regard for the general welfare by investigating the matters submitted to him with the utmost care. That he was qualified, in an eminent degree, to make such an investigation, nobody will dispute,— his position in the front rank of American statesmen being universally recognized. The duty was a most delicate one. The country occupied an intermediary position, between the Colonial dependence it had thrown off, and the hope of national greatness after which it was reaching; and whatsoever step was to be taken had to be decided with the utmost deliberation. False measures of policy might cause the loss of all that had been gained by political independence. The people were in possession of a magnificent territory, and were confronted with the necessity of creating a system of domestic measures upon sufficiently broad foundations to make the United States one of the leading and influential powers of the world. The whole field of investigation and thought was open, therefore, to the statesmen of that period; and as no parties had then been formed upon sectional issues, and public men were appreciated, not on account of ability alone, but their integrity as well, what was then said and done remains worthy of lasting remembrance. The disregard of the lessons they taught so wisely, even after the lapse of so many years, would border closely upon folly.

The report of Mr. Hamilton, made in obedience to

the foregoing resolution, presents the necessities and wants of the country so clearly, and with such power of argument and illustration, that nothing has ever yet been said, by the ablest theorizers who have tried to overthrow it, to controvert successfully any of his positions. His arguments were unanswerable then and still remain so. An examination of them cannot fail to satisfy all who take the pains to make it, that he completely covered the whole ground, and was in full sympathy with the recommendations of Washington, the opinions of Madison, and the principles embodied in the law passed by Congress. Although worthy of reproduction, this report is too long for insertion here; but the general scope of his reasoning may be perceived in the following language:

"The embarrassments which have obstructed the progress of our external trade have led to serious reflections on the necessity of enlarging the sphere of our domestic commerce. The restrictive regulations which, in foreign markets, abridge the vent for the increasing surplus of our agricultural produce, serve to beget an earnest desire that a more extensive demand for that surplus may be created at home; and the complete success which has rewarded manufacturing enterprise in some valuable branches, conspiring with the promising symptoms which attend some less mature essays in others, justify a hope that the obstacles to the growth of this species of industry are less formidable than they were apprehended to be, and that it may not be difficult to find, in its further extension, a full indemnification for any external disadvantages which are or may be experienced, as well as an accession of resources favorable to national independence and safety."

The field of inquiry upon which he was required to enter was exceedingly broad. It embraced whatsoever there was in political economy calculated to teach the best

and surest methods of securing national prosperity and elevation. He could not have failed to see before him two paths, pointing in opposite directions, into one or the other of which the nation must be led: the return to the humiliating condition of dependence upon Great Britain, or the acquisition of such permanence to our independence as would assure our ultimate equality with the best and strongest among the nations. With the latter end especially in view, there were difficulties in the way which had to be cautiously met and confronted, and which nothing but extreme sagacity would be likely to overcome. The terrible struggle for national existence had passed, but that for national greatness had just begun. The seeds of independence had been broadly sown, but they had to be nurtured in all the stages of their growth, so that when the harvest should ripen the best and richest fruits could be garnered. The whole future of the country had to be explored by anticipation, and a single misstep might have surrounded it with clouds instead of sunshine — with storms instead of calm.

Mr. Hamilton was fully equal to the occasion. His report has not been surpassed in wisdom by any public document produced in this country. It shows with great clearness that the welfare of the nation would have been placed at fearful hazard by receding from the steps already taken by the Government, and that, by giving permanence to the system it had inaugurated, our future would prove to be all that the most patriotic heart could hope for or desire.

CHAPTER VII.

REPORT OF SECRETARY OF THE TREASURY—OVERTHROWS THE DOCTRINE OF FREE TRADE—NECESSITY FOR DIVERSITY OF OCCUPATIONS—IF ALL CULTIVATED THE SOIL OUR NATIONAL RESOURCES COULD NOT BE DEVELOPED.

ALTHOUGH we have become wiser and exhibit more evidences of culture, in many respects, than the past generations—in abstract and physical science, in the mechanic arts, in historic research, inliterary refinement, in the broad fields of discovery, and in the whole circle of general knowledge—yet we cannot assure ourselves with confidence that we understand the science of government better than "the fathers" did, or even as well. It is certain that they were more unselfish and less partisan than we are, and realized their responsibilities in a greater degree than we do. As the builders of a new government they were constrained, by the necessity of their surroundings, to employ great care and circumspection; whilst we, on our part, persuade ourselves to believe that our institutions, having acquired a century of age, can stand any strain to which they may be subjected. Every step they took had to be measured with the utmost accuracy; whereas, our private occupations are so numerous and varied, and absorb so much of our time and energy, that we are content to let public affairs drift along to accidental results, and never realize the importance of popular vigilance until

almost in the actual presence of danger. Do we not risk too much by this manifest dereliction of duty?—by getting too far away from the lines of policy marked out by the early statesmen?—by neglecting to understand how and by what measures the greatness of our country was developed?—by submitting to the misleading influences of ambitious men, who have personal ends to accomplish, rather than to the counsels of those who, under providential care, planted our institutions both wisely and well?

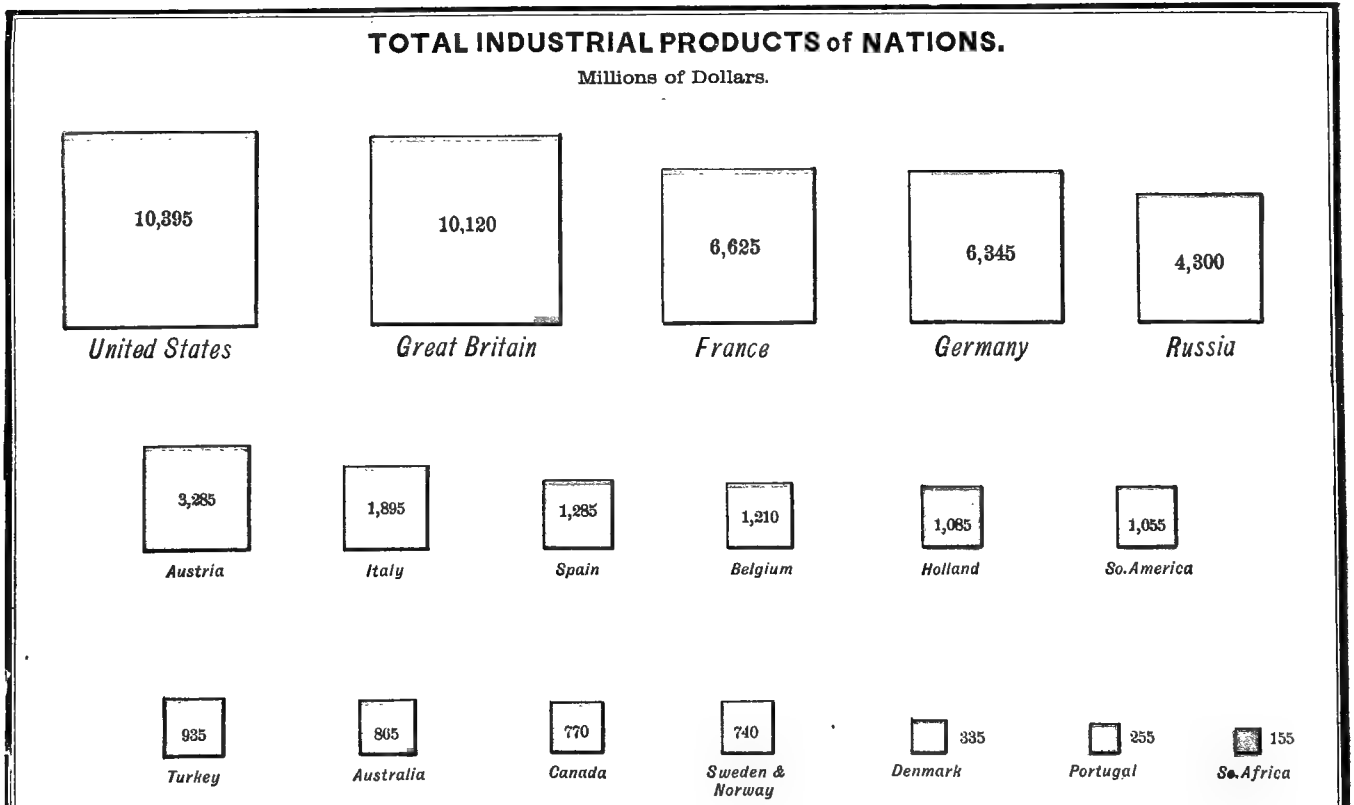
Mr. Hamilton's report reflected the public sentiment then existing, as well as the policy of Washington's administration and that established by the act of Congress. It constitutes, therefore, a source of most reliable information; and whilst its republication, on account of its length, is inexpedient, it may aid an intelligent inquirer to have its general principles brought to his mind. These cannot be, in the nature of things, as exhaustive as the argument itself; nevertheless, it may prove instructive. The investigation of political truths is no less the duty of the citizen of a free country, than it is diligently to labor for the ends to which they legitimately lead.

As Mr. Hamilton had to confute the assertions of the few who had then announced their theories of free commerce, it is necessary that they shall be fully comprehended, especially as some of them are yet supposed to possess merit. They may be thus summed up: (1) That as agriculture is the most beneficial and productive object of industry, it would be unwise not to direct all the energies of our people to the conversion of all our lands into

cultivated farms. (2) That to attempt by the patronage of the Government, to accelerate the growth of manufactures, would be to divert labor from the profitable occupation of farming to a less beneficial channel. (3) That industry should be left to the guidance of private interest, which will always incite it to the most profitable employment. (4) That the population of the United States was so small that a sufficiency of labor for manufactures could not be procured without injury to the farming interests. (5) That manufactures cannot be successfully carried on, except where there is a redundancy of population. (6) That there was not capital enough in the country to carry on manufactures. (7) That if the attempt were made, we could not successfully compete with the manufacturers of Europe. (8) That by the misdirection of labor from the cultivation of land to manufactures, a monopoly would be created in favor of those engaged in the latter, which would produce an enhancement of price, at the expense of the other parts of society. (9) "It is far preferable that those persons should be engaged in the cultivation of the earth, and that we should procure, in exchange for its productions, the commodities with which foreigners are able to supply us in greater perfection, and upon better terms."

Some of these propositions, when merely glanced at, seem plausible; but, upon careful examination, they all appear specious and misleading. Mr. Hamilton overthrew them most successfully. Conceding that the cultivation of the earth is the immediate and chief source of subsistence to man, in his opinion it did not, by any means,

follow that it is the only productive species of industry. In that form of labor nature coöperates with man, not only limiting its products to those which land produces, but curtailing the sphere of invention; whereas, skill and art, properly combined and stimulated by the various demands of society, — which necessarily go beyond the things produced by agriculture, — may become more valuable than the labor of nature and man combined together. Manufacturing labor is not necessarily more valuable than agricultural labor, but it involves the employment of the total mass of the labor of a country, and not a part of it merely, and, therefore, adds to the aggregate wealth of the whole; whereas, a policy that would cause agriculture to attract the entire labor of the country, would necessarily leave a portion of the laborers unemployed, and society would be thereby injured. If all were farmers, each one, besides cultivating his land, would be compelled to devote some portion of his time and labor to the fabrication of clothing and other articles necessary for domestic uses, which would diminish the amount of agricultural labor to that extent, and make the product of the land proportionately less valuable. But where there are both manufacturers and farmers, not only can the latter devote their entire time and labor to the cultivation of their farms, and thereby produce a greater quantity of raw materials, but the former would purchase these and convert them into manufactured commodities, with which to repay the farmer and supply himself. And thus "there would be two quantities of values in existence instead of


TOTAL INDUSTRIAL PRODUCTS of NATIONS.
Millions of Dollars.
10,395
United States
10,120
Great Britain
6,625
France
6,345
Germany
4,300
Russia
3,285
Austria
1,895
Italy
1,285
Spain
1,210
Belgium
1,085
Holland
1,055
So. America
935
Turkey
805
Australia
770
Canada
740
Sweden & Norway
335
Denmark
255
Portugal
155
So. Africa

one; and the revenue and consumption would be double, in one case, what it would be in the other."

Not only did Mr. Hamilton argue to prove that manufacturing establishments would augment the produce and revenue of society, but he pointed out the methods whereby this result would be effected: (1) The division of labor. (2) An extension of the use of machinery. (3) Additional employment to classes of the community not ordinarily engaged in the business. (4) The promotion of emigration from foreign countries, and the consequent increase of population. (5) The furnishing greater scope for the diversity of talents and dispositions, which discriminate men from each other. (6) The affording a more ample and various field for enterprise. (7) The creating, in some instances, a new, and securing, in all, a more certain and steady demand for the surplus produce of the soil. "Each of these circumstances," said he, "has a considerable influence upon the total mass of industrious effort of a community; together they add to it a degree of energy and effect, which are not easily conceived."

Contrasting a domestic market with a foreign one, he expressed a decided preference for the former, because it was always more reliable; and, he might well have added, more easy of access, for it is undoubtedly true that the nearer the producer and the consumer are together, the better it is for both. Upon this hypothesis he demonstrated that it should be a primary object of the policy of the United States to enable the people to supply themselves with all the means of subsistence from their own

soil, and that they should establish manufactures in order to procure from the same source the raw materials necessary for their own fabrics. And then, carrying out his general ideas to their logical results, he laid down the following incontrovertible doctrine:

"In such a condition of things [as the impairment of our manufacturing industry] the United States cannot exchange with Europe on equal terms; and the want of reciprocity would render them the victim of a system which should induce them to confine their views to agriculture and refrain from manufactures. A constant and increasing necessity, on their part, for the commodities of Europe, and only a partial and occasional demand for their own, in return, could not but expose them to a state of impoverishment, compared with the opulence to which their political and material advantages authorize them to aspire."

Such arguments as these were approved by the wise and prudent men who achieved our Independence and framed our Government, and by the people of every section and all pursuits. They fully justified the recognition and establishment of the principles upon which the protective system rested at the beginning, and still rests. If the result had been otherwise than it was — if, instead of following these common-sense and statesmanlike suggestions, the speculative theories which came from the closets of political economists had been adopted, the labor of the country would have been left unemployed, and multitudes of people would have been plunged into poverty and pauperism. And not that alone — the great natural advantages we possessed would have been without value, our mines would have remained unworked, our minerals in the ground, our timber rotting in the forests, and we should

have been left without commerce, either domestic or foreign, in a state of dependence upon England, as humiliating as that existing during the Colonial period. All this was realized by the wisest statesmen of that day, as well as by the great mass of the people, regardless of their pursuits — which accounts for the unanimity with which the policy of protection was accepted as the only and sure ground of hope for the future material prosperity of the country.

It is fortunate for us — and, in view of our progress and present position, it is fortunate also for the peoples of other countries — that the statesmen of that time had been taught wisdom and unselfishness by the lessons of the Revolution, and that they considered themselves the custodians of a sacred trust which they were required to administer with the strictest fidelity, and with reference to the welfare of all the people, of every class and condition. Whatsoever faults they had — and human nature has never been so purified that some faults do not exist — leaned to the side of the country. They resolved all doubts in favor of the general welfare. If they had ambition it was purified by patriotism. If they had passion it was hushed in the universal desire to make the nation great and strong, and worthy of the people whose fortunes had been imperiled in its defense. If party spirit displayed itself among them it was abashed in the presence of their disinterested patriotism. And if they were threatened, for a moment, with supposed conflicts of interest, arising out of geographical divisions, they gave way under the pressure of the universal desire to make the union so compact, and to fix its pillars so firmly, that its benefits would be perpetual.

CHAPTER VIII.

PROTECTION SUPPORTED BY JOHN ADAMS — ALSO BY JEFFERSON — ITS EFFECT UPON REVENUE — PRODUCING SURPLUS — ALSO UPON TRADE AND COMMERCE — JEFFERSON RECOMMENDS IT, NOTWITHSTANDING SURPLUS — PROPOSES INTERNAL IMPROVEMENTS BY AMENDING THE CONSTITUTION.

WHEN the Government passed out of the hands of Washington into those of John Adams, as President, it had already experienced the benefits which, on all hands, were recognized as having been produced by the protective policy. Agriculture had become more extensive and prosperous. Commerce was increasing with wonderful rapidity. Every variety of domestic trade was improving. Numerous merchant vessels were built in the Atlantic cities. Old manufactures were revived, and new ones were springing up at points where water-power could be utilized. The nation was gradually obtaining control over its own carrying-trade. Mineral deposits were not yet discovered extensively enough to justify the anticipation of a large increase of wealth from that source, but they were sufficiently developed to give fair promise of future gains. Everything, however, pertaining to industrial pursuits — the arts, mechanics, agriculture, manufactures, and commerce — was in comparative infancy. Yet, at the same time, the duties laid with a view to encourage and protect all these not only increased the

revenues of the Government, but gave reliable assurance of future beneficial results.

We have heretofore seen the ruinous condition of our trade with Great Britain for the seven years preceding 1791, when our imports exceeded our exports $52,372,875 — thus making the balance of trade that much against us during that period. A comparison of-these years with the seven beginning in 1795 — by which time the benefits of protection were beginning to be exhibited — will show the rapidity of our development and the increase of our commerce. The following is a table of our exports and imports for these years — the former consisting of the produce of the sea, of the forest, of agriculture, and of manufactures combined:

	Exports.	Imports.
1795	$23,313,121	$ 6,324,066
1796	31,928,685	17,143,313
1797	27,303,067	6,637,423
1798	17,330,770	11,978,870
1799	29,133,219	19,930,428
1800	32,877,059	19,085,605
1801	39,519,218	30,931,121
	$201,405,139	$112,030,824

Thus, within the brief period of ten years of the operation of the protective policy, our commercial relations with England had become so changed and improved, that our exports had been made to exceed our imports $89,374,315, making the balance of trade that much in our favor. This enabled us to discharge the balance that stood against us in 1790 — that is, $52,372,875 — and bring England, at the cloer of 1801, $37,001,440 in our debt.

Such facts as these, accumulating every year, were well calculated to excite the apprehension of England that the United States might become a far more formidable commercial rival than she had ever anticipated, while they undoubtedly stimulated the energies of the American people in a degree surprising even to themselves. Our advancement was so rapid that the history of it reads almost like some of the mythical tales found in the books. It caused the world to realize that the United States were destined to become one of the great and commanding powers of the earth, if nothing should occur to arrest their progress. As Mr. Adams became President in the midst of these flattering developments, and fully sympathized with the policy which had contributed to produce them, he availed himself of the occasion of his inaugural address to congratulate the country upon the happy effects that had followed the adoption of the Constitution, and which were mainly attributable to the policy of protection.

Although Mr. Adams was not as emphatic as Washington — there being no occasion for it, as the policy of the Government had been established — yet he was sufficiently so to show that he fully and properly appreciated the advantages and benefits of the existing system. In his first message he said:

"The commerce of the United States is essential, if not to their existence, at least to their comfort, their growth, prosperity, and happiness. The genius, character, and habits of the people are highly commercial. Their cities have been founded and exist upon commerce. Our agriculture, fisheries, arts, and manufactures are connected with and dependent upon it. In short,

commerce has made this country what it is, and it cannot be destroyed or neglected without involving the people in poverty and distress. . . Under this view of our affairs I should hold myself guilty of a neglect of duty if I forebore to recommend that we should make every exertion to protect our commerce, and to place our country in a suitable posture of defense, as the only sure means of preserving both."

He enumerated, with great distinctness and accuracy, the sources of national prosperity—agriculture, fisheries, arts, and manufactures. From these he considered commerce to be derived, and without them it could not exist. As they are developed, so it increases in magnitude and importance. Agriculture is the foundation. Its surplus products, as everybody knows, furnish no profit unless transferred to market, either in their original form, as raw materials, or in the shape of manufactured articles. If these latter are imported from foreign countries, manufacturing establishments could not exist in the United States, and, consequently, the surplus products of agriculture would be left to decay in the hands of the producer, and he would be deprived of proper reward for his labor. Whilst Mr. Adams did not express himself in these words, it is manifest that his conclusions were arrived at by this process of reasoning, which was then recognized by all intelligent minds and has since become axiomatic in our political economy. He, however, renewed the subject in his last message, in 1800, and, congratulating the country upon the condition of affairs then existing, said:

"I observe, with much satisfaction, that the product of the revenue during the present year has been more considerable than during any former period. This result affords conclusive evidence

of the great resources of the country, and of the wisdom and efficiency of the measures which have been adopted by Congress for the protection of commerce and preservation of the public credit."

Mr. Adams very distinctly shows that he attributed the increased and increasing development of our resources to the legislation of Congress — that is, mainly to the tariff act of the first Congress, which levied duties upon imports so as to encourage domestic industry, and thereby increase the demand for agricultural products at home, and extend commerce. The country was already gathering the fruits of this policy, and this was realized by all classes of society, in every part of the Union. The general expectation was that there would be a rapid increase of prosperity in the future, and the administration of Mr. Adams closed under these favorable auspices.

It is needless to say that Mr. Jefferson was one of the foremost men of that period. As Secretary of State under the administration of Washington he had acquiesced fully in the measures, then adopted, with regard to protection. In an able and exhaustive report laid by him before the President, the necessity of such provisions as would tend to develop our internal commerce was pointed out with great clearness. At the time of his election to the Presidency, therefore, he was accepted by the country as the distinctive representative of the existing system of protection. The issues in the contest between him and Mr. Adams mainly involved other matters. They did not excite any apprehension in the public mind that the prin-

ciple of protection would be impaired during his administration. And all said and done by him shows conclusively that he did not desire or intend that it should be. In his first message to Congress, in 1801, he made the following general reflections:

"Agriculture, manufactures, commerce, and navigation, are the most thriving when left free to individual enterprise. Protection from casual embarrassments, however, may sometimes be reasonably interposed. If in the course of your observations or inquiries they should appear to need any aid within the limits of our constitutional powers, your sense of their importance is a sufficient assurance they will occupy your attention. We cannot, indeed, but feel an anxious solicitude for the difficulties under which our carrying-trade will soon be placed. How far it can be relieved otherwise than by time, is a subject of important consideration."

Mr. Jefferson manifestly did not intend, by this, to convey the idea that a nation would be justified in not making suitable regulations for the protection of its own commerce; or that it could afford to allow other nations to impose restrictions upon it without interposing defensive and retaliatory measures of its own. In view of the existing system — which he did not desire to see disturbed — it is apparent that he intended the reverse. Whilst, if there were no restrictions anywhere and all commerce was free, he supposed general industry might thrive; yet, where restrictions were imposed by other nations, he undoubtly considered it our duty to counteract them. Hence, he conceded the power of Congress over the whole question — to be employed whensoever it should become necessary for self-protection. It is evident that his mind, like that of Mr. Adams, was directed to the true sources of prosperity,

and that he considered the four great interests enumerated by him — agriculture, manufactures, commerce, and navigation — as so united in interest as to possess a common claim upon the Government for protection and development. But he found it necessary to express his opinions more decidedly at subsequent periods of his administration, when the questions involved became more practical.

The protective system produced such admirable and satisfactory results, that by the year 1806 the receipts in the Treasury from customs had very greatly increased — even beyond the public expectation. Their increase was proportionate to the augmentation of the general prosperity in all branches of industry. By the payment and reimbursements of that year $23,000,000 of the public debt were extinguished. It was believed that after abolishing the duty on salt — an absolute necessity — and the cessation of a few other minor duties upon luxuries, there would be a surplus in the Treasury to be disposed of, in some way, by Congress. Mr. Jefferson anticipated this, and, consequently, in his message of that year, he said :

"When both of these branches of revenue shall in this way be relinquished, there will still ere long be *an accumulation of moneys in the Treasury beyond the installment of the public debt which we are permitted by contract to pay.*"

It having become thus certain that there would be a surplus in the Treasury, under the operation of the existing laws — the protective principle not having been impaired — it became necessary to determine upon the best and

wisest mode of disposing of it. Consequently, Mr. Jefferson, in the same message, also said:

"The question, therefore, now comes forward: To what other objects shall these surpluses be appropriated, and the whole surplus of import, after the entire discharge of the public debt, and during those intervals when the purposes of war shall not call for them? *Shall we suppress the impost and give that advantage to foreign over domestic manufactures?* On a few articles of more general and necessary use, the suppression in due season will doubtless be right; but the great mass of the articles on which impost is laid are foreign luxuries, purchased by those only who are rich enough to afford themselves the use of them. Their patriotism would certainly prefer *its continuance* and application to the great purposes of public education, roads, rivers, canals, and such other objects of public improvemement as it may be thought proper to add to the constitutional enumeration of federal powers."

This condition of affairs teaches a lesson it would be unwise to overlook or forget. The accumulation of surplus revenue was occasioned by customs duties, laid for the protection of domestic industry and home manufactures; this has been shown to have been the avowed and express object. And when it was ascertained that the revenue thus raised would be in excess of the immediate wants of the Government, the necessity of deciding whether these protective duties should be continued or suppressed became a practical question, which had to be immediately decided. There certainly could have been no more favorable opportunity for introducing the principle of free trade, if, as is now often asserted, it is right and proper under all circumstances and conditions. Mr. Jefferson understood, as well as any man, the philosophy of government; and his acute mind enabled him to see the full

import and all the bearings of public questions. But he did not regard free trade either right or proper, although it is possible he might have done so if it had prevailed universally among all other natinos. Therefore, he considered it his duty to advise that protective duties be continued. In plain words, he declared that to "suppress the impost"—that is, to take off the duties—would give "advantage to foreign over domestic manufactures;" which covers the whole ground with regard both to the constitutionality and expediency of the principle of protection. Nothing in addition could have been said in favor of that principle, or more strongly condemnatory of free trade.

He adhered to these opinions during his entire administration, and found it necessary to refer again especially to the subject, and to repeat, in his next message, in 1807, what he had already said with reference to the continued "accumulation of the surpluses of revenue"—reinforcing his former views. It did not appear to him either wise or expedient to abandon measures which had been attended with so many beneficent results, and promised so many more;—especially as the advantages they conferred were becoming more and more apparent every day. The plain historic fact is, that at that time, all the interests of agriculture, manufactures, commerce, and navigation, were resting upon such solid and secure foundations—owing to the judicious protection extended to them by Congress—that no statesman of any eminence would have risked his reputation by expressing

a desire to see them injuriously interfered with. The improving and progressive condition of the country was such as to forbid any tampering with its common interests, and if there had been any politicians who desired to do so they would have encountered the public indignation. The rejoicing at the growth and prospects of the nation was universal — embracing all classes of people. The rapidity with which our resources were developing made every patriotic heart glad; whilst it served, at the same time, to prove to England that she had to apprehend the speedy arrival of the time when we should be fully able to take care of ourselves, to work our own mines, utilize our own forests, manufacture our own fabrics, and be able to supply other nations out of the surplus of our agricultural products.

CHAPTER IX.

RELATIONS WITH ENGLAND AND FRANCE — EMBARGO LAW — JEFFERSON CONSIDERED PROTECTION IMPERATIVE — DUTIES PROHIBITORY IF NECESSARY — PROCEEDINGS OF CONGRESS — PROTECTION REFERRED TO COMMITTEE — FAVORABLE REPORT — INCREASED DUTIES RECOMMENDED — QUESTION REFERRED TO GALLATIN, SECRETARY OF TREASURY — FIRST OPPOSITION TO PROTECTION — GALLATIN'S REPORT RECOMMENDS BOUNTIES TO MANUFACTURES.

THE prosperity of our affairs was somewhat interrupted about the close of Mr. Jefferson's administration. Our domestic policy, however, did not, in any sense, contribute to this. It grew out of the war between Great Britain and France, and the injuiry to our commerce occasioned by the hostile measures of those nations. The Berlin decree of Napoleon led to the British orders in Council, in 1807, which prohibited our vessels from landing their cargoes in French ports, and subjected them to capture by British cruisers if they attempted it. In retaliation, Congress passed an Embargo law, which prohibited the departure of our own vessels from the ports of the United States; and subsequently also passed a non-intercourse act. The consequence was, that our commercial intercourse with Europe was almost entirely suspended, and all our trading operations and industries became embarrassed. General discouragement took the place of former exultation, and a condition of things was thus occasioned which finally, in

1812, led to the declaration of war by the United States against Great Britain.

But Mr. Jefferson was not insensible to the real posture of affairs while he remained President. He was thoroughly familiar with the causes which had led to our prosperity, as well as with those that checked it. And whilst he was disposed to condemn the injustice of the European belligerents against the United States, he considered it his duty to see that no domestic measures should be adopted that would impede our development and thereby weaken the power of the nation. In evidence of this we find him, in his message of 1809, thus expressing himself:

"The suspension of foreign commerce produced by the injustice of the belligerent Powers, and the consequent losses and sacrifices of our citizens, are subjects of just concern. The situation into which we have thus been forced has impelled us to apply a *portion of our industry and capital to internal manufactures and improvements.* The extent of this conversion is daily increasing, and little doubt remains that the establishments formed and forming, will, under the auspices of cheaper materials and subsistence, the freedom of labor from taxation with us, and of *protecting duties and prohibitions*, become apparent."

Not often do we find a principle more emphatically indorsed than was that of protection to manufactures, in the foregoing extract from Mr. Jefferson's message; it is even carried to the extent of *prohibition*, whensoever that shall be deemed necessary and expedient. He considered it the imperative duty of the Government — which it owed to the industrial interest involved in manufactures — to take care of and foster them. And he foresaw that if this were not done, the advantages they had already

secured to the country would be lost. He was too wise a statesman to desire any step to be taken, or any variation of policy ventured upon, that would be likely to arrest the industrial development so auspiciously begun.

The message of Mr. Jefferson, so far as it related to protecting manufactures, was, in the House of Representatives, referred to the Committee on Commerce and Manufactures, along with a number of petitions from the people upon the same subject. This committee was composed of seven members, as follows: Mr. Newton, of Virginia, chairman; Mr. Dana, of Connecticut; Mr. Marion, of South Carolina; Mr. Cutts, of Massachusetts; Mr. Mumford, of New York; Mr. Porter, of Pennsylvania; and Mr. McKim, of Maryland; — three from the Southern, two from the Central, and two from the New England States. It was fairly and satisfactorily constituted, representing every part of the Union and all the diversified industrial interests, — the agricultural being in the ascendant. The result reached by it, therefore, evidences the fact that, at that time, no sectional animosities had been engendered by the policy of protection.

The committee made a unanimous report. After setting forth the care they had endeavored to employ in investigating "*the policy of fostering and protecting our manufactures*," they recommended perseverance in the plan which had already received the support of Congress, as well as "the countenance of the nation," as they expressed it. The plan here referred to was that established by the first Congress, under the administration of Wash-

ington, which Madison had so strenuously advocated in the House of Representatives, which had been approved by Adams, and then had the indorsement of Jefferson. The committee considered it recommended by the consideration that it gave "to our manufactures the support necessary to withstand foreign competition, skill, and capital." Upon the general question of protection, they employed this expressive language: "A nation erects a solid basis for the support and maintenance of its independence and prosperity, whose policy is to *draw from its native resources all articles of the first necessity*."—a doctrine which constitutes the central feature of the system of protection. With the special view of protecting home manufactures, they recommended additional duties on clothing, millinery, cotton manufactures, bed ticking, corduroys, shot and other manufactured articles in which lead is used, and salt. These recommendations were adopted by the House by a majority of nearly two to one, as to all the articles except salt, and the question regarding that single article was merely postponed to a subsequent time. The entire proceedings, on the part both of the committee and the House, fully recognized the principle of laying discriminating, in preference to *ad valorem*, duties. And it is worthy of note, in this connection, that the large majority which sanctioned this principle was composed of representatives from all the States. Congressional action, in those days, was of higher value than it has since become. Public office was then considered a sacred trust, to be administered, not for the

personal advancement of its possessor, but for the public good. There were none bold enough, even if inclined, to assail the principles of popular representative government, by subjecting the great question of material development to the dominion of party and faction. Whilst the representative in Congress was understood to owe a proper degree of fidelity to his immediate constituents, his constitutional obligation to serve the Union imposed national duties upon him which he had no right to disregard, and which he could not disregard without endangering the general welfare, for the protection of which the Union was formed. The action of this committee shows that they held this national obligation in the highest estimate; and, therefore, their opinions are entitled to great respect, which is increased by the fact that they were approved by Mr. Jefferson's administration, by Congress, and by the country.

The following resolution, introduced by Mr. Bacon, of Massachusetts, was passed by the House of Representatives, at the same session:

"*Resolved*, That the Secretary of the Treasury be directed to prepare and report to this House, at their next session, a plan for the application of such means as are within the power of Congress, for the purpose of *protecting and fostering the manufactures* of the United States; together with a statement of the several manufacturing establishments which have been commenced, the progress which has been made in them, and the success with which they have been attended, and such other information as in the opinion of the Secretary of the Treasury shall be material in exhibiting a general view of the manufactures of the United States."

Less than twenty years — a short period in the life of

a nation — had then passed since the introduction of the policy of protection in the United States; and, as the business of the country was seriously deranged on account of European complications, it was a wise step to institute a careful inquiry into the operations and effect of the system. These precautionary investigations always serve a valuable purpose, when cautiously and intelligently prosecuted, and furnish far more reliable means of reaching accurate conclusions than party platforms or caucus resolutions. Facts collected in this mode are of material assistance to Congress, and may be generally relied upon as the basis of legislative procedure.

This resolution opened the whole question of protection as broadly as possible. Under these circumstances, it was scarcely to be expected that it would be finally disposed of without some opposition, inasmuch as, by that time, under the influence of English teaching, the visionary doctrine of free trade had found an occasional advocate in the United States. Its passage was opposed by Mr. Gardenier, of New York, and Mr. John Randolph, of Virginia,— the latter of whom, then and always, trained his fertile intellect in the school of opposition. The ground of their objection was "the inexpediency of legislative interference for the encouragement of manufactures," which they characterized as wrong because it amounted to, what is now called, class legislation, for the benefit and support of monopolies. Notwithstanding the almost universal public sentiment, and the utterances of Washington, Adams, Jefferson and Madison to the contrary,

these gentlemen, for the first time in Congress, made the issue between protection and free trade sharp and clear, so that it could not be misunderstood. Mr. Randolph's method of announcing his propositions left no room for doubt about his meaning. Yet the resolution was passed by a majority of 55 out of a vote of 131, showing how firmly the existing system of protection had taken root. Of those who voted for it 12 were from Virginia, 8 from North Carolina, 6 from South Carolina, and 1 from Georgia, making 27 in all, whilst there were but 16 votes in the negative from the South-Atlantic States. Of the remaining votes in the negative 20 of the entire 38 were from the North-Atlantic States. So that, by a sectional comparison of the vote, it will be seen that the agricultural States of the South were as much united in support of the principle of protection as were the commercial States of the North. The precise fact is, as heretofore stated, that the question had no sectional aspects, but was considered as entirely national — as important alike to every part of the country.

Mr. Albert Gallatin was then Secretary of the Treasury, and so well is his reputation for wisdom known to all readers of our history that everybody will recognize his peculiar fitness for the duty assigned to him. In the report subsequently made by him, after a searching investigation, he gave a detailed statement of the progress and condition of manufactures in the United States, showing that their average annual product exceeds $120,000,000. And, in order to express his approval of the argument employed

in defense of their right to the fostering care and protection of the Government, he said:

"And it is not improbable that the raw materials used, and the provisions and other articles consumed, by the manufacturers, create *a home market for agricultural products* not very inferior to that which arises from foreign demand,—a result more favorable than might have been expected from a view of the natural causes which impede the introduction, and retard the progress, of manufactures in the United States."

He attributed the introduction and progress of manufactures in the United States to the low taxes required to support the Government, and the absence of any restrictions upon the objects and employment of labor; but regarded the most powerful obstacle against which they had to struggle, as arising from the superior capital of the manufacturing nations of Europe, which enabled their merchants to give long credits, to sell at small profits, and to make occasional sacrifices in order to destroy American competition. And so important did he consider it that these embarrassments should be removed, and our manufactures be fostered by Congressional legislation, that he pointed out three methods as presenting the obvious means of doing this: (1) by bounties; (2) by increased duties on imports; (3) by loans from the Government. He even went so far as to suggest that the United States should create a circulating stock, bearing a low rate of interest, and lend it at par to manufacturers, on the principle of the loan offices which had been established in some of the States. He believed that $5,000,000 a year, but not to exceed $20,000,000 in all, might be advantageously

loaned for the purpose, "without any material risk of ultimate loss, and without taxing or injuring any other part of the community."

These facts have a most important bearing upon the question of protection. They show how important it was considered by the public authorities, during the period of Mr. Jefferson's administration, that the power given to Congress by the Constitution — to foster manufactures, and thereby to benefit agriculture, and extend commerce — should not lie dormant, but be actively and energetically employed to increase the prosperity and develop the material resources of the country. The statesmen of that day — with so few exceptions as not to impair the general rule — were united in the purpose to accomplish these objects, by every constitutional method, and especially by increasing the duties on imports, whensoever it was shown that sufficient protection to manufactures had not been given. Abundant evidence of this will be found in the history of subsequent administrations.

CHAPTER X.

MADISON RECOMMENDS PROTECTION AS NECESSARY TO INDEPENDENCE — MANUFACTURES MADE NECESSARY BY THE WAR WITH ENGLAND — NECESSARY TO INCREASE OF DOMESTIC STAPLES — CANNOT BE INDEPENDENT WITHOUT THEM.

THE active agency of Mr. Madison in procuring the passage, through the first Congress, of the tariff act of 1789, has been already stated. If there were any special reason why that measure should be regarded as having had an individual indorser, the paternity of it might be properly assigned to him. At all events, he bore such relations to it as made it necessary for him frequently to express opinions with reference to the obligation of the Government to protect manufactures. These opinions were matured and strengthened by the time he became President. If it be said of them that they related to mere measures of expediency, which might with propriety be changed to suit the shifting exigencies of affairs, a sufficient answer is found in the fact that the principle of protection was understood and intended to be established as part of a permanent system. That such was the opinion of Mr. Madison is sufficiently proved by what he then and subsequently said.

His administration commenced during the deranged condition of affairs which had originated under that of Mr. Jefferson, growing out of our relations to the belliger-

erent powers of Europe, and our embargo and non-intercourse laws. He realized, at the outset, the injurious effects which had been produced upon the revenues of the Government, and consequently, in his first annual message in 1809, expressed his apprehension that there would be a deficiency in the receipts of the ensuing year. This he attributed to the insecurity and derangement of our commerce; — in other words, to the cessation of our exports to foreign countries, whereby our imports were lessened. He saw at home all the elements of wealth and material prosperity profusely scattered in every direction; but the surplus products of our labor were wasted in our own hands for the want of home markets. He thus described the condition of the country:

"The face of our country presents everywhere the evidence of laudable enterprise, of extensive capital, and of durable improvement. *In a cultivation of the materials and the extension of useful manufactures*, more especially in the general application to household fabrics, we behold *a rapid diminution of our dependence on foreign supplies.* Nor is it unworthy of reflection that this revolution in our pursuits and habits is in no slight degree a consequence of those impolitic and arbitrary edicts by which the contending nations, in endeavoring each of them to obstruct our trade with the other, have so far abridged our means of procuring the productions and manufactures of which our own are now taking the place."

Nations, like individuals, when thrown by necessity upon their own resources, frequently find themselves to possess energies of which they had no previous knowledge. This is more apt to be the case under a popular than under a monarchical form of government; for the reason that, in the one case, public policy is influenced by

the collective energies of an intelligent population, and is responsive to their will; whilst, in the other, the people have no voice, and are kept in ignorance that they may be more easily held in inferiority. The people of the United States were not aware of the extent of their resources, or conscious of their capacity to develop them, until they found themselves under the pressure of necessity. Mr. Madison saw this, not alone with the keen sagacity of a wise statesman, but the intelligence of a philosopher, and availed himself of the opportunity furnished by his Presidency to impress his matured sentiments upon the public mind, already prepared by previously existing convictions. It was well for the country that the helm of government was, at that time, in the hands of such a man — of one who had no personal ends of his own to serve, but devoted himself unselfishly to the advancement of the public welfare.

We shall have occasion, in the progress of our inquiries, to insist upon the necessity of home markets for the sale of our surplus agricultural products. It may be well, however, to anticipate the general argument by calling attention to the fact that this necessity is demonstrated conclusively by our condition under the administrations of Jefferson and Madison. It requires but a limited amount of intelligence to see that our domestic trade was embarrassed by the cessation of our commercial intercourse with Europe — by the want of foreign markets for our surplus. If these markets had existed at home, through the instrumentalities of our own manufactures, this surplus could

have been disposed of, and the financial and business derangement in a great measure, if not entirely, avoided. It is impossible for a nation to be otherwise than dependent when it permits its domestic interests to become subject to contingencies which are or can be controlled by foreign nations. At the time it may most need its strength, whether for development or self-defense, it may suit their interest to impair it.

Mr. Madison so fully realized this that, in his second message, in 1810, he thus expressed himself — enforcing his former views:

"I feel particular satisfaction in remarking that an interior view of our country presents us with grateful proofs of its substantial and increasing prosperity. To a thriving agriculture, and the improvements relating to it, is added a highly interesting *extension of useful manufactures*, the combined product of professional occupations and of household industry. Such, indeed, is the experience of economy, as well as of policy, in these substitutes for supplies heretofore obtained by foreign commerce, that in a national view the change is justly regarded as of itself more than a recompense for those privations and losses resulting from foreign injustice which furnished the general impulse required for its accomplishment. How far it may be expedient to guard the infancy of this improvement in the *distribution of labor by regulations of the commercial tariff*, is a subject which cannot fail to suggest itself to your patriotic reflections."

The sentiments and purposes of Mr. Madison were in no way concealed. He attributed the progress of interior development to "a cultivation of the materials and the extension of useful manufactures;" — that is, to the conversion of the surplus products of labor into manufactured fabrics. In his opinion we were, by means of these,

diminishing "our dependence on foreign supplies," because we had become able to supply ourselves, or were rapidly becoming so. In this he saw evidences of our being enabled, not only to bring our internal commerce into an improved and healthy condition, but to keep it so. And, therefore, he submitted to Congress the question of so laying duties upon imports as to give proper protection and encouragement to all our diversified industrial interests. This, he well understood, could only be done by adhering to the system which had prevailed from the beginning of the Government, and throughout the administrations of Washington, Adams and Jefferson. Consequently, in his third message, in 1811, he expressed his opinion of the national advantages of manufactures in these words:

"Although other subjects will press more immediately on your deliberations, a portion of them cannot but be well bestowed on the *just and sound policy of securing to our manufactures the success they have attained, and are still attaining*, in some degree, under the influence of causes not permanent; and to our navigation, the fair extent of which is at present abridged by the unequal regulations of foreign governments.

"Besides the reasonableness of saving our manufactures from sacrifices which a change of circumstances might bring on them, the *national interest* requires that, with respect to such articles at least as belong to our defense and our primary wants, *we should not be left in unnecessary dependence on external supplies.*"

He who is unable to comprehend the plain meaning of Mr. Madison must possess an obtuse intellect; and he who, understanding it, endeavors to pervert it with a view to mislead, is an evil and dangerous adviser. It was the fixed

conviction of his mind — as it was also of the minds of the most eminent and conspicuous statesmen of his day — that the only safe line of policy for the Government was that which would most readily lead to a development of our natural resources, and thereby prevent us from becoming dependent "on external supplies;" that is, on manufactured articles imported from foreign countries. And so controlling did this sentiment become in the public mind that, during the war with Great Britain, under Madison's administration, the various fields and spheres of labor were steadily enlarged throughout the country. Agriculture was stimulated, manufactures were increased, and the nation so rapidly gained in strength as to surprise the world. Although that war, with the most powerful among the nations, taxed the energies of our people to the utmost, yet there were not many, out of the active military service, who did not realize the necessity of devoting their energies to such industrial pursuits as promised an increase of individual and national wealth. Mr. Madison, in his message of 1813, thus explained our condition during the war:

"If the war has increased the interruptions of our commerce, it has at the same time *cherished and multiplied our manufactures* so as to make us independent of all other countries for the more essential branches *for which we ought to be dependent on none*, and is even rapidly giving them an extent which will create additional staples in our future intercourse with foreign markets."

How wisely and prophetically were these words spoken! The proposition that we ought not to be dependent on other countries for our manufactured fabrics, into which our

own raw materials were capable of being converted, was considered at that time incontrovertible by all thoughtful and practical minds; and it should never have been otherwise regarded at any subsequent period. Just so far as we have been led astray by the opposing theory of visionary minds, to that extent have we suffered the consequences of our own folly. What Mr. Madison said upon the subject was but the echo of public opinion — formed under influences and circumstances too palpable to mislead. And when, looking forward into the future, he expressed the belief that by the continued increase of our manufactures we should "create additional staples" — that is, create a demand not only for materials then known, but for others thereafter to be discovered — he was absolutely prophetic. His prediction has been verified with wonderful minuteness. We see this in the fact, familiar to everybody, that there is scarcely an ounce of our surplus products, of whatsoever kind, that may not be so converted by the manufacturers of our own time, as to be made useful in supplying the wants and conveniences of society. Everything — even much that is of no apparent value — can be turned to practical uses, and nothing is necessarily wasted or lost. The ingenuity and skill of our artisans have been employed in the invention of machinery of every possible variety, capable of producing almost every imaginable result. And every new invention in the unlimited field of the mechanic arts has given fresh impulse to labor, until all the avenues of commerce throughout the world are crowded with the varied productions of our industry.

CHAPTER XI.

MADISON RECOMMENDS PROTECTION AFTER THE WAR WITH ENGLAND — NECESSARY TO PAY DEBT OF THE WAR — ALSO TO ENCOURAGEMENT OF AGRICULTURE — TARIFF ACT OF 1816 — MADISON ON CONSTITUTIONALITY OF PROTECTION — PROTECTION DIRECT, NOT INCIDENTAL — PERTAINS TO COMMERCE, NOT REVENUE.

THE close of the war with Great Britain led to the necessity of reducing the expenses of the Government to the demands of a peace establishment; but it left a large war debt for which provision had to be made. Financial problems are not always easy of solution. They were not, however, so difficult then as now, for the reason, among others, that conflicting interests were not so numerous or so sharply defined. Either the existing measures for raising revenue, by discriminating duties laid with a view to protect manufactures, upon some articles, and for revenue alone upon others, had to be adhered to, or, if abandoned, some new and untried policy had to be inaugurated. Theoretical speculations were not then so common as they now are; and it had not occurred to any considerable number of those who had claim to statesmanship, that the protective policy which had done so well could be safely abandoned. It had not then been discovered that "the balance of trade" was a "delusive phantom." The philosophic researches of Smith and of Hume were

familiar only to a few men of letters who, in the seclusion of their closets, held no intercourse with the business world. The leading statesmen of England, who were in direct contact with public affairs, had neither promulgated nor conceived the idea that free trade was an infallible panacea for all the practical ills of government. The theories of Cobden did not exist even in his own brain, and Bright was still a school-boy. They were of subsequent birth and growth, when England realized that, by steadily persevering in our own system of encouragement to manufacturing industry, we had entered upon successful competetion with her in the markets of the world. Not before then did the statesmen of that country discover this new process of arresting the career of a successful rival, and not until more recent times have they derived assistance from the coöperation of American politicians. The course of the former has been characterized by the most adroit cunning, whilst that of the latter indicates the want of practical sagacity.

Mr. Madison was unwilling to see the course of the Government changed, or the principle of protection abandoned. He had seen too clearly the beneficial consequences of the policy established under Washington, and persevered in under Adams and Jefferson. Consequently, in a special message in 1815 — wherein he communicated the close of the war with England and the treaty of peace — he declared that there were "important considerations which forbid a sudden and general revocation of the measures that had been produced by the war," and in addition, said :

"The resources of our country were at all times competent to the attainment of every national object; but they will now be enriched and invigorated by the activity which peace will introduce into all the means of domestic enterprise and labor. . . The reviving interests of commerce will claim the legislative attention at the earliest opportunity, and such regulations will, I trust, be seasonably devised as shall secure to the United States their just proportion of the navigation of the world. . . . *But there is no subject that can enter with greater force and merit into the deliberations of Congress, than the consideration of the means to preserve and promote the manufactures which have sprung into existence, and attained an unparalleled maturity throughout the United States during the period of the European wars. This source of national independence and wealth I anxiously recommend, therefore, to the prompt and constant guardianship of Congress.*"

These were earnest words, fitly and wisely uttered by a man always distinguished for his ability, whose motives have never been impeached, whose integrity was never questioned, and whose wisdom as a patriot and statesman the whole nation still attests. Under all the great responsibilities of his position as President, and at a time when the obligations of duty to the country required him to employ the utmost care and circumspection, he considered it imperative upon him to recommend to Congress the protection and preservation of manufactures as one of the essential means of reviving commerce, advancing the public prosperity and general welfare, and placing the country in a condition of complete independence and security. Notwithstanding all this, however, it is common in our day to hear some politicians talk about these great national affairs, and these important questions of government policy, as if they were of no more consequence than the business of an insignificant corporation, and declare

that the Presidential recommendations of Madison, and of all his predecessors, are false and empirical. With an *ex cathedra* air of wisdom they affirm that they, as the disciples of English philosophers and statesmen, know more of what is demanded by the vast industrial interests of this country than the great statesmen who laid so well the foundations of the nation's prosperity. We shall have occasion hereafter to refer again to this class of visionaries, and to point out wherein the ignorance they charge upon others is in reality their own. The concurring opinions of such men as Washington, Adams, Jefferson and Madison alone — to say nothing of succeeding Presidents — are of more value in the practical affairs of government than those of a multitude of these theorizers, more numerous than an army.

When the war with Great Britain commenced our public debt was $39,000,000; but when it closed it had reached $120,000,000 — made up of $64,000,000, the actual cost of the war, and $17,000,000 of floating debt, and Treasury notes. This involved the necessity of providing a sufficiency of revenue, and also such a currency as would facilitate business. These objects had to be reached by different measures, yet were so allied in their effects that it was impossible to omit either without serious embarrassment to the Government and the country. Mr. Madison gave the matter his most serious consideration — assisted by a Cabinet of which Mr. James Monroe was Secretary of State, Mr. Alexander J. Dallas Secretary of the Treasury, and Mr. Richard Rush Attorney-General — and recommended

a national currency, in order to provide a common medium of circulation, not then furnished by the existing State banks. And, after surveying the whole ground of our national wants and necessities, he thus expressed himself with reference to the best mode of raising revenue:

"In adjusting the duties on imports to the object of revenue, *the influence of the tariff on manufactures* will necessarily present itself for consideration. However wise the theory may be which leaves to the sagacity and interest of individuals the application of their industry and resources, there are in this, as in other cases, exceptions to the general rule. Besides the condition which the theory itself implies, *of a reciprocal adoption by other nations*, experience teaches that so many circumstances must concur in introducing and maturing manufacturing establishments, especially of the most complicated kind, that a country may remain long without them, although sufficiently advanced, and in some respects even peculiarly fitted for carrying them on with success. Under circumstances giving a powerful impulse to manufacturing industry, it has made among us a progress, and exhibited an efficiency, which justify the belief that, with *a protection* not more than is due to the enterprising citizens whose interests are now at stake, it will become, at an early day, not only safe against occasional *competition from abroad*, but a source of *domestic wealth*, and even of external commerce. In selecting the branches more especially entitled to the *public patronage*, a preference is obviously claimed by such as will relieve the United States from a *dependence on foreign supplies*, ever subject to casual failures, for articles necessary to the public defense, or connected with the primary wants of individuals. It will be an *additional recommendation of particular manufactures where the materials of them are extensively drawn from our agriculture, and consequently impart and secure to that great fund of national prosperity and independence an encouragement which cannot fail to be rewarded.*"

The meaning of this cannot be misunderstood. He considered agriculture the foundation of all national prosperity, and that its surplus products would be lost, instead

of becoming sources of domestic wealth, unless they were converted into manufactured articles for consumption at home and for exportation abroad. He realized, as everybody then did, that if we had no manufactures of our own, we should be compelled to supply ourselves with necessary articles from the manufacturers of Europe, especially of England — a policy which would, inevitably, destroy our commerce and diminish our wealth. Consequently, he recognized encouragement to manufactures as encouragement to agriculture also — considering the interests of both as inseparably blended. And as it was necessary to raise revenue for the support of the Government, his wisdom and experience enabled him to know that the only proper and judicious mode of doing it was by duties on imports discriminating in favor of our own labor and industry, and thereby giving protection to manufactures.

These recommendations of Mr. Madison resulted in the passage of the tariff law of 1816, which was made to conform, as nearly as possible, to his opinions. The duties were laid for the double purpose of revenue and protection — discriminating in favor of the latter upon such articles of import as required it. Each object was sought after, as having special and substantial value of its own. To raise revenue was the primary object, and protection secondary — but not incidental merely. The idea of protection as simply incidental to revenue, and nothing more, would have appeared to the enlightened and practical mind of Mr. Madison, and to the whole country at that time, as approaching absurdity; — for if it had been expedient to

support the Government without any customs duties at all, it would, nevertheless, have been necessary to protect manufactures, as the only ascertained method of developing the resources of the country, increasing the aggregate wealth of the nation, and making us independent of foreign countries — especially England. Mr. Madison expressed this idea so frequently, and in such variety of forms, that nothing would have surprised him more than to find himself quoted as the advocate of mere incidental protection — that is, for protection as merely incident to revenue. At a subsequent period of his life, as late as 1828 — eleven years after the close of his Presidential term — when efforts were made to create a party of opposition to the principle of protection, on the ground of both its unconstitutionality and inexpediency, he rebuked the agitators in unequivocal terms, by saying:

"A further evidence of the *constitutional power of Congress to protect and foster manufactures by regulations of trade* (an evidence that ought itself to settle the question), *is the uniform and practical sanction given to that power for near forty years.*"

The power to lay and collect impost duties is one thing — that to regulate commerce is another thing. Each power is distinct in itself, and substantially granted, independently of the other. Consequently the idea expressed by Mr. Madison is plainly this: — that, as the Constitution had been understood and uniformly interpreted for nearly forty years, it grants the power to protect manufactures "*by regulations of trade*," and not as a mere incident to the power to collect revenue; and therefore, the question

of the constitutionality of protection, as well as its expediency, ought to be considered finally settled. It is proper, then, to say that the kind of protection so frequently and earnestly recommended by him, was not incidental to the revenue power, but direct and substantive, as a necessary part of the power to "regulate commerce," expressly conferred by the Constitution.

CHAPTER XII.

CONGRESSIONAL PROCEEDINGS — TARIFF OF 1816 — PROTECTION OF COTTON AND WOOL — MADISON IN FAVOR OF PROTECTION — LEADERS OF HOUSE OF REPRESENTATIVES — BILL REPORTED — OPINION OF COMMITTEE — OPPOSED TO FREE TRADE AND FAVORING PROTECTION — THREAT BY LORD BROUGHAM — CONGRESS FIRM FOR PROTECTION.

THE tariff law of 1816 was not considered an administration measure, in any proper sense. Mr. Madison's recommendations upon the subject so accurately reflected the public sentiment, that its passage occasioned as much popular enthusiasm as did that of the first tariff act, under Washington's administration. It was, in fact, a continuation of the same system — another important step toward absolute independence. Nevertheless, the administration employed whatsoever influence it fairly and legitimately could, not only to furnish correct information to Congress and the country, but to contribute toward the desired result. Mr. Madison was never suspected of the improper use of executive authority to direct legislation, but so kept himself aloof from all mere party alliances as to make his administration conform in all its distinctive measures of policy, to the popular will. Such was undoubtedly the case with reference to this important tariff law — which was strongly and especially protective.

The Secretary of the Treasury, Mr. Dallas, made a

report to Congress recommending an increase of duties upon cotton and woolen goods — not as a revenue measure alone, but with the alleged purpose of giving additional protection to manufactures. The report shows, in a succint manner, the principles which underlie our entire system of tariff legislation, in so far as it has been protective. In this view its importance is not yet lessened, because it treats of a general principle as applicable to one period as to another. The Secretary says:

"There are few, if any, governments which do not regard the establishment of domestic manufactures as a *chief object of public policy*. The United States have always so regarded it. In the earliest acts of Congress, which were passed after the adoption of the present constitution, the obligation of providing, by duties on imports, for the discharge of the public debts, is *expressly connected with the policy of encouraging and protecting manufactures*."

Upon the effect of the protective policy upon domestic labor, he said:

"The interests of agriculture require a free and constant access to a market for its surplus, and a ready supply of all the articles of use and consumption on reasonable terms; but the *national interest may require the establishment of a domestic in preference to a foreign market*, and the employment of domestic in preference to foreign labor, in furnishing the necessary supplies."

The practical bearing of this opinion will be readily perceived, and its truthfulness has long since been realized in every neighborhood where manufactures have existed. Mr. Dallas was so impressed by it that he predicted that some of the manufacturing establishments then existing, in comparative infancy, would become permanent, if a proper degree of government protection should be

extended to them. He enforced this idea by the following sensible and practical views:

"The means of promoting this object are various; but it appears to have been the early and continued practice and policy of the Government to afford *encouragement to domestic products and manufactures*, rather by the imposition of *protective duties* than by the grant of bounties and premiums; and, indeed, it is *in that course alone* that the subject properly falls within the scope of the present report. Although some indulgence will always be required for any attempt so to realize the national independence in the department of manufactures, the sacrifice cannot be either great or lasting. The inconveniences of the day will be amply compensated by future advantages. *The agriculturalist, whose produce and whose flocks depend for their value upon the fluctuations of a foreign market, will have no occasion eventually to regret the opportunity of a ready sale for his wool or his cotton in his own neighborhood;* and it will soon be understood that the success of the American manufacturer, which tends to diminish the profit (often the excessive profit) of the importer, *does not necessarily add to the price of the article in the hands of the consumer.*"

One can scarcely imagine plainer or more expressive language than this. Coming, as it did, from Mr. Madison's Secretary of the Treasury, who was a man of distinguished ability, it was considered as expressing the opinion and desire of the administration, and undoubtedly contributed to the legislative result. The policy of protection was already sufficiently popular, both in Congress and the country; but if it had not been, these arguments of the Secretary — especially when it was understood that they conformed to the frequently-expressed opinions of Mr. Madison — would have made it so. And yet it is not a little amusing, to say the least of it, to witness the self-complacency of some modern politicians who assume themselves able to demonstrate that the great statesmen

of that day knew nothing of the true principles and science of government!

The House of Representatives contained, at that time, some men of very great ability, who then and subsequently exercised almost unlimited influence in molding and directing public opinion. Some of them will always occupy conspicuous positions in our history, and deservedly so — for, differ with them as men may upon some points of policy, very few are inclined to impeach their integrity of purpose or to charge them with any want of patriotism. Without intimating that there were not others entitled to high consideration, the following are worthy of being especially named: Daniel Webster, Timothy Pickering, and Nathaniel Ruggles, of Massachusetts; Daniel Chipman, of Vermont; Samuel D. Ingham, and John Sergeant, of Pennsylvania; Philip P. Barbour, William H. Roane, and Henry St. George Tucker, of Virginia; Nathaniel Macon, of North Carolina; John C. Calhoun, William Lowndes, and Henry Middleton, of South Carolina; John Forsyth, and William Lumpkin, of Georgia; Henry Clay, and Richard M. Johnson, of Kentucky, and John McLean, of Ohio. Whatsoever differences of opinion may have existed among these gentlemen with reference to the best methods of conducting public affairs, they were agreed in the general wish to see them so conducted as to advance the common interests of the country. The crisis was then such as to invite their coöperation in the support of such measures as had that tendency. The war with Great Britain had erased many of the distinctive lines

which had divided parties, and the patriotic conservatism of Mr. Madison's administration was universally recognized. The main object which influenced each one of them, was to do whatsoever would most likely tend to restore our imperiled commerce, reëstablish trade, reinvigorate the energies of the people, and so foster all the industrial interests of the country as to place its prosperity upon solid and permanent foundations. Whatsoever parts they may have severally performed in our history since then, we cannot be deprived of the example they then furnished. That, at least, is secure as the common property of the nation.

The portion of Mr. Madison's message which recommended increased protection to manufactures, was referred to the Committee of Commerce and Manufactures in the House of Representatives. The members of that committee represented the six following States: Virginia, North Carolina, South Carolina, Pennsylvania, Massachusetts and Rhode Island,—there being an equal number from each section, North and South. Mr. Newton, of Virginia, was the chairman, and through him the committee, in February, 1816, submitted a unanimous report, which shows, with exceeding clearness and perspicuity, the basis upon which the final legislation of that session of Congress rested. Their argument was unanswerable then, and deserves repetition, because it is equally so now.

The committee were not inclined to make "a display of speculative opinions," but, being practical men, and engaged in the practical work of conducting public affairs,

they confined themselves to a statement of facts, and to the recommendation of such measures as were suggested by them. As an example of the increase of manufacturing industry in the United States, they showed that only 500 bales of cotton were manufactured in 1800, whereas, in 1815, the number had increased to 90,000 bales, and that the capital employed was $40,000,000. The number of persons engaged, including all classes, was 100,000. The wages paid to these amounted to $15,000,000 annually. The statement was designed to show that, although manufacturing had advanced with commendable rapidity, considering the period of the war, yet that the establishments had only reached a condition in which they were considered insecure, unless their permanency was assured by additional protection,— that is, by higher duties upon the necessary articles than were authorized by the existing laws. Upon this point their reasoning is conclusive; as it also is upon the general principle involved in the policy of protection. They said:

"The States that are most disposed to manufactures as regular occupations, *will draw from the agricultural States all the raw materials which they want, and not an inconsiderable portion, also, of the necessaries of life;* while the latter will, in addition to the benefits which they at present enjoy, always command, in peace or in war, at moderate prices, every species of manufacture that their wants may require. Should they be inclined to manufacture for themselves, they can do so with success, because they have all the means in their power to erect and extend at pleasure manufacturing establishments. *Our wants being supplied by our own ingenuity and industry, exportation of specie, to pay for foreign manufactures, will cease.*"

This paragraph, brief as it is, contains as much wisdom

as is sometimes found in an entire volume. It is of infinitely more value in influencing the formation of correct opinions about the practical affairs of government, of which it treats, than the speculate theories of all the political economists who have asserted the contrary combined. And that it was so considered when the report was made, can be easily ascertained by any who will examine the history of the tariff law of 1816, to the passage of which it materially contributed.

But the committee did not stop at this point. They continued:

"Every State will participate in these advantages. The resources of each will be explored, opened and enlarged. Different sections of the nation will, according to their position, the climate, the population, the habits of the people, and the nature of their soil, strike into that line of industry which is best adapted to their interest and the good of the whole; an active and free intercourse, promoted and facilitated by roads and canals, will ensue; prejudices, which are generated by distance, and the want of inducements to approach each other and reciprocate benefits, will be removed; information will be extended, the Union will acquire strength and solidity, and the Constitution of the United States, and that of each State, will be regarded as fountains from which flow numerous streams of private and public prosperity."

They also said:

"In proportion as the commerce of the United States depends on agriculture and manufactures as a common basis, will it increase and become independent of those revolutions and fluctuations, which the ambition and jealousies of foreign governments are apt to produce. Our navigation will be quickened; and supported as it will be by internal resources, never before at the command of any nation, will advance to the extent of those resources.

"New channels of trade and enterprise, no less important than productive, are opening, which can be secured only by a wise and prudent policy appreciating their advantages.

"If want of foresight should neglect the cultivation and improvement of them, the opportune moment may be lost, perhaps, for centuries, and the energies of this nation be thereby prevented from developing themselves, and from making the boon which is proffered our own. By trading on our own capital, collisions with other nations, if they be not entirely done away, will be greatly diminished.

"This natural order of things exhibits the commencement of a new epoch, which promises peace, security and repose, by a firm and steady reliance on the produce of agriculture; on the treasures that are embosomed in the earth; on the genius and ingenuity of our manufacturers and mechanics, and on the intelligence and enterprise of our merchants."

If any who are skeptical about the advantages to be expected from protection shall pronounce this argument unsound, and set up the theory of free trade in opposition to it, they are fully and sufficiently answered by the fact that all the predictions of this committee have been fulfilled. We are now in the presence of such rapid and unexampled progress as to make these predictions, uttered nearly three-quarters of a century ago, more descriptive of what actually exists than anticipations of what the future shall develop. Possessing, as we do, everything that makes a people great, powerful and prosperous, we cannot fail to congratulate ourselves upon the influence which these, and other kindred sentiments, exercised over the tariff legislation of 1816,—at a time when a single retrograde step might have checked, possibly for ever, the career of our prosperity and progress. And the more we ponder upon the principles embodied in that legislation—in view of the results they have produced—the more earnest will become our conviction that they were not

only suitable for that time, but for all the periods of our history, present as well as future. The nation that does not extend its care and protection to every element of industry it possesses, so that it shall be fostered to its full capacity for development, can have no assurance of stability. Whereas, we have proved by our own history and experience, that a popular government like ours may, in only one century of time, by just and constitutional protection to labor in its various departments, reach a position of greatness from which it is not likely to be dislodged by any of the known instrumentalities by which other nations have been overthrown.

This committee were fully apprised of the efforts which the manufacturers of Europe, and especially those of England, were then making to cripple our energies and arrest our progress, by inducing the Government of the United States to abandon the policy of protection. They insisted that it would be to our advantage to do so, because they could, by means of their cheap labor, furnish us with manufactured fabrics at less prices than we could manufacture them for ourselves. It did not seem to occur to them, however, that they should at least put on the appearance of disinterestedness by leaving their own manufacturers to take care of themselves, without any government aid. Their plan of operations did not extend so far, however, as the sacrifice would have been greater than they were prepared to make. We already had a balance of $125,000,000 standing against us in our trade with Great Britain alone—which drained us of our gold and

silver to that extent annually — and, of course, if we could have been persuaded to abandon our own manufactures and consume those of that country, we should have been compelled to pay whatsoever tribute her manufacturers levied upon us. Even so liberal an English statesman as Lord Brougham — who was not, in a general sense, unfriendly to the United States — encouraged the perseverance in this plan of operations, even to the extent of subjecting the British manufacturers to large losses, if thereby they could gain their end. In a speech in Parliament he said:

"It is well worth while to incur a loss upon the first exportations, in order, by the glut, *to stifle in the cradle the rising manufactures in the United States*, which the war had forced into existence contrary to the natural course of things."

It is not at all surprising, therefore, that the sentiments of this House Committee of Commerce and Manufactures, as well as the policy of Mr. Madison's administration, and the action of Congress, were more or less influenced by the course adopted by the English statesmen and manufacturers. It became apparent that, apart from any question of political economy merely, the simple law of self-defense required us to take care of ourselves, and to see that our immense means of material prosperity were retained by ourselves, and not emptied into the lap of Europe. This committee perfectly understood this, and, in reference to it, said:

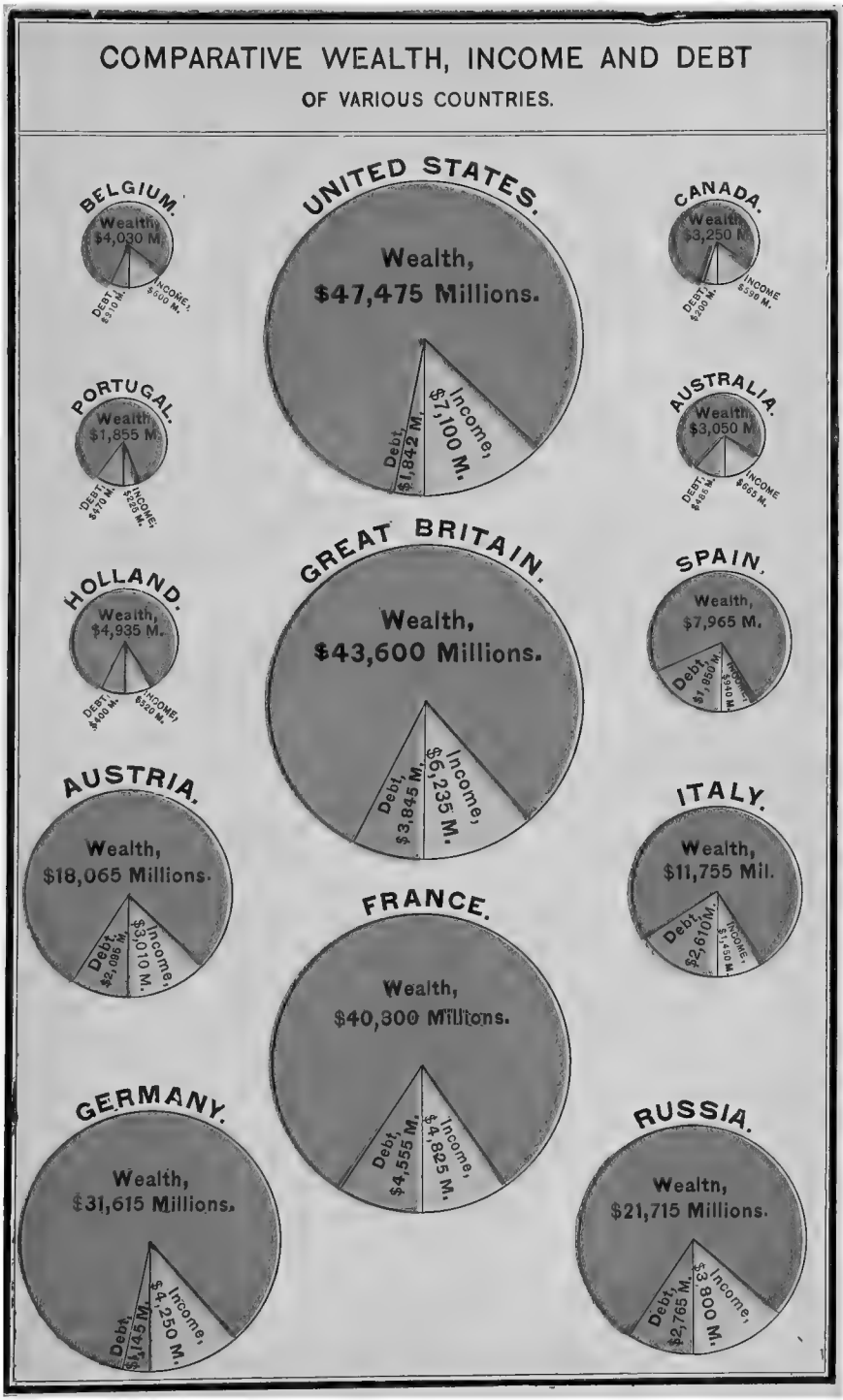
"The foreign manufacturers and merchants will put in requisition all the powers of ingenuity; will practice whatever art can devise, and capital can accomplish, to prevent the American manu-

facturing establishments from taking root and flourishing in their rich and native soil."

Congress was equal to the necessities of the crisis; and it is manifestly true that the English threat to glut our markets, even at a temporary loss, so as to destroy our manufactures and obtain control of our markets, had its proper influence upon the legislation of 1816, when the duties were made more strongly protective than they had ever been before. It made Congress, and the President, and the Country, more resolute in maintaining this principle, not merely because it was right in itself, but because by its abandonment, our most thriving industries would be in danger of destruction.

COMPARATIVE WEALTH, INCOME AND DEBT

OF VARIOUS COUNTRIES.



CHAPTER XIII.

PROCEEDINGS OF HOUSE OF REPRESENTATIVES ON TARIFF OF 1816—OPINIONS OF CLAY, LOWNDES AND INGHAM—CALHOUN IN CHARGE OF BILL—DEFENDS IT AGAINST RANDOLPH OF VIRGINIA—HIS CONCLUSIVE ARGUMENT—HE FAVORS PROTECTION—NECESSARY FOR HOME MARKETS—BILL PASSED.

WHILST the bill which became the tariff law of 1816 was pending in the House of Representatives, an elaborate discussion took place, during which the policy of protection underwent a scrutinizing investigation. This is an important and instructive discussion, not alone because it explains the legislative intention, but shows the opinions of the distinguished men who participated in it, with reference to the necessity of our being supplied with manufactures of our own, made out of materials of our own production, and by our own industry, in preference to those of foreign countries, produced by foreign labor. It would be unfair, however, not to say that some of these gentlemen subsequently gave up the opinions they then expressed, and adopted others in opposition to them. But this has no necessary bearing upon our present inquiries. All men have the right to change their opinions when and as they please, to meet any changed condition of circumstances. He who, convinced of error, does not abandon it, but persists in doing what his conscience assures him is wrong, merely to preserve his personal consistency, is

not worthy of public trust. Such men have not the moral courage to pursue the right as their consciences teach it to them. In so far as the opinions of individuals are personal they concern themselves alone. When, however, they employ an argument in support of public policy which they cannot recall, if they subsequently fail to destroy or weaken the force of their own logic, they should not complain, nor should others for them, if the argument should be held to stand against them. Argument is worth nothing unless sustained by reason. It is, in fact, the reason of an argument that produces conviction in the minds of those to whom it is addressed, and it amounts to nothing unless it does this. Such will be found to be the character of those made in support of increased duties for protection, in the 14th Congress.

The general sentiment entertained by the friends of protection was forcibly expressed by Mr. Clay, of Kentucky, when he said: "The object of protecting manufactures is, that we might eventually get articles of necessity made as cheap at home as they could be imported, and thereby produce an independence of foreign countries."

Mr. Lowndes, of South Carolina, said "that he believed the manufacture of woolens, and particularly of blankets, required a decided present encouragement."

Mr. Ingham, of Pennsylvania, favored the highest practicable duty for the purpose of protection.

The defense of the principle of protection rested, however, mainly upon Mr. Calhoun, of South Carolina, to whom it was, by general consent, confided, on account of

his acknowledged ability. When Mr. John Randolph, of Virginia, attacked the system, in a fierce philippic, alleging, as he had done in a former Congress, that it proposed to levy "an immense tax on one portion of the community to put money in the pockets of another" — the common assertion of anti-protectionists then as now — Mr. Calhoun entered upon a full discussion and elaborate defense of it, in which he displayed, as he always did up to the close of his life, the very highest order of reasoning powers. He considered the subject of "vital importance" — as touching "the security and permanent prosperity of our country." He claimed that his opinions should be regarded as disinterested, because "he was no manufacturer," and did not come "from that portion of our country supposed to be peculiarly interested," but from the South, and had, "in common with his immediate constituents, no interest but in the cultivation of the soil, in selling its products high, and buying cheap the wants and conveniences of life." And basing his premises upon what he considered the leading sources of wealth in this country — agriculture, manufactures and commerce — and upon the duty of the Government to adopt such measures as would ensure their development to the utmost degree possible, he said:

"*Neither agriculture, manufactures, nor commerce, taken separately, is the cause of wealth; it flows from the three combined, and cannot exist without each.* The wealth of any single nation, or any individual, it is true, may not immediately depend on the three, but such wealth always presupposes their existence. He viewed the words in the most enlarged sense. *Without commerce industry would have no stimulus; without manufactures it would be without the means of production; and without agriculture neither of the others can subsist. When separated*

entirely and permanently, they perish. . . . It is admitted, by the most strenuous advocates on the other side, that no country ought to be dependent on another for its means of defense; that, at least, our musket and bayonet, our cannon and ball, ought to be of domestic manufacture. But what, he asked, is more necessary to the defense of a country than its currency and finance? Circumstanced as our country is, can these stand the shock of war? Behold the effect of the late war on them! When our manufactures are grown to a certain perfection, as they soon will under *the fostering care of government*, we will no longer experience these evils. *The farmer will find a ready market for his surplus produce;* and, which is almost of equal consequence, *a certain and cheap supply of all his wants.* His prosperity will diffuse itself to every class of the community; and instead of that languor of industry, and individual distress, now incident to a state of war and suspended commerce, the wealth and vigor of the community will not be materially impaired."

These propositions are laid down with the skill of a practiced debater. They are not mere opinions, which may be adopted or rejected at pleasure; but principles essentially pertaining to the science of government. They point out the relations between cause and effect — showing each link in the chain connecting them. They are applicable to all governments whose strength has to be derived from their own internal resources, and as much to one time as another — to the present and future as the past. The argument comes up directly and squarely to the issue between protection and free trade — supporting the former, repudiating the latter. It tersely states propositions which our national experience has made political truisms. There has not been, and is not likely ever to be, any period in our history when they will not be of more value to the nation than volumes of theoretical specu-

lations about what all the nations ought to do, but have never done and never will do.

But Mr. Calhoun did not let his argument rest at this point. Proceeding to show, among other causes of business derangement, that the specie of this country was drawn to Europe to pay the balances perpetually accumulating against us, in consequence of the purchase of foreign articles for domestic consumption, he said:

"To this distressing state of things there were two remedies, and only two: one in our power immediately, the other requiring much time and exertion; but both constituting, in his opinion, the *essential policy of this country;* he meant the Navy and *domestic manufactures.* By the former we could open the way to our markets; by the latter, we bring them from beyond the ocean, and naturalize them. . . . He firmly believed that the country is prepared, even to maturity, for the introduction of manufactures. We have abundance of resources, and things naturally tend at this moment in that direction. . . . What channel can it [our active capital] take but that of manufactures? This, if things continue as they are, will be its direction. It will introduce a new era in our affairs, in many respects highly advantageous, and *ought to be countenanced by the Government.* . . . Objections of a political character were made to the encouragement of manufactures. It is said they destroy the morals and physical character of the people. This might formerly have been true to a considerable extent, before the perfection of machinery, and when the success of the manufactures depended on the minute subdivisions of labor. At that time it required a large portion of the population of a country to be engaged in them; and every minute subdivision of labor is undoubtedly unfavorable to the intellect; but the great perfection of machinery has in a considerable degree obviated these objections. . . . It has been further asserted that manufactures are the fruitful cause of pauperism, and England has been referred to as furnishing conclusive evidence of its truth. For his part, he could perceive no such tendency in them, but the exact contrary, as they furnished new stimulus and means of subsistence to the laboring classes of

the community. . . . It [the manufacturing system] produced an interest *strictly American*, as much so as agriculture; in which it had *the decided advantage of commerce and navigation.* The country will from this derive much advantage. Again, *it is calculated to bind together more closely our widely-spread Republic.* It will greatly increase our mutual dependence and intercourse; and will, as a necessary consequence, excite an increased attention to internal improvement — a subject every way so intimately connected with the ultimate attainment of national strength, and the perfection of our political institutions. He regarded the fact that it would *make the parts adhere more closely; that it would form a new and most powerful cement, far outweighing any political objections that might be urged against the system.*"

These sentiments were not narrowed by any sectional interests or animosity — if any of the latter existed at all, at that time, to disturb the general harmony. They were broad, patriotic and statesmanlike in the highest and best sense. The argument was unanswerable, and did more than any other then made, or that could have been made, to influence the action of Congress and give stability to public opinion. Subsequently, when Mr. Randolph renewed his attack upon the pending bill, Mr. Calhoun was reinforced by his distinguished colleague, Mr. Lowndes, whose eminent abilities made him a conspicuous coadjutor in the cause of protection. And when, under these auspices, the bill reached a final vote, it passed the House of Representatives by 88 yeas to 54 nays, having received the support of representatives from every section of the Union. Mr. Barbour, of Virginia; Messrs. Calhoun and Lowndes, of South Carolina; Mr. Lumpkin, of Georgia, and Col. R. M. Johnson, of Kentucky, were prominent among those who voted for it. These gentlemen not only followed their own conscientious convictions of duty, but acted in obedience

to the will of their constituents. The vote, classified by sections, was as follows:

	Yeas.	Nays.	Absent.
New England	16	10	16
Middle States	44	10	13
Western States	14	3	5
Southern States	14	31	7
Total	88	54	41

It appears, therefore, that the measure was not supported by a majority of the representatives from either the New England or the Southern States; but that the country was mainly indebted for it to the Middle and Western States — the belt of States which constitute the central section of the Union, as between the North and the South. The representatives from these Middle and Western States gave 58 out of the 88 votes cast for the bill. But nobody, at that time, regarded what little controversy there was about protection to manufactures as having, in the least degree, any sectional aspects. On the contrary, the universal judgment was that it was entirely national. So settled was this conviction that the bill passed the Senate by a vote of 25 yeas to 7 nays — nearly four to one.

If there had then been any so insensible to the general welfare of the nation as to have attempted to array one section of the country against the other, on the ground that they had interests naturally antagonistical, they would have been indignantly rebuked. There was no attempt, or suspicion of it, on the part of one section to obtain any local advantage over another. The feeling existing, in

every section, was that of generous emulation. Everywhere, and among all classes, the system of protection was regarded as absolutely essential to the prosperity and development of the whole Union, as the only means by which the people could be kept in a condition to hold their own destiny in their own hands, and secure permanence to the Union.

CHAPTER XIV.

TARIFF OF 1816 PRODUCES GENERAL REJOICING — JEFFERSON'S LETTER TO AUSTIN DEFENDING PROTECTION — HIS LETTER TO SIMPSON TO SAME EFFECT — THE ACT OF 1816 STRONGLY PROTECTIVE — NO SECTIONAL ISSUES EXISTING — CLOSE OF MADISON S ADMINISTRATION — HIS POPULARITY.

THE discussions which preceded and were called forth by the tariff law of 1816 were not confined to Congress alone, but became general throughout the country, on account of the great public satisfaction felt at the result. Mr. Jefferson was then in retirement at his home in Virginia, but his interest in matters concerning the general welfare was not abated on account of his declining years, as is shown by his celebrated letter, written in 1816, to Mr. Benjamin Austin, wherein he professed himself as continuing to be the earnest friend of the protective system. His observations and experience had thoroughly matured his judgment, and the occasion enabled him to reaffirm the principles he had avowed during his Presidency. In this letter he said:

"Compare the present state of things with that of '85, and say whether an opinion founded in the circumstances of that day can be fairly applied to those of the present. We have experienced what we then did not believe, that there exists both profligacy and power to exclude us from the field of interchange with other nations — *that to be independent for the comforts of life, we must fabricate them for ourselves.* We must now *place the manufacturer by the side of the agriculturalist.* The former question is suppressed, or

rather assumes a new form. The grand inquiry is, now, *shall we make our own comforts, or go without them at the will of another nation?* He, therefore, who is now against domestic manufactures, must be for reducing us either to a dependence on that nation, or be clothed in skins, and to live like wild beasts in dens and caverns. I am proud to say, *I am not of them.* Experience has taught me that *manufactures are now as necessary to our independence as to our comfort;* and if those who quote me as of a different opinion will keep pace with me in purchasing nothing foreign, where an equivalent of domestic fabric can be obtained, without regard to any difference of price, it will not be our fault if we do not have a supply at home equal to our demand, and wrest that weapon of distress from the hand that has so long wantonly violated it."

So thoroughly imbued was Mr. Jefferson's mind with these sentiments, and so ardent was he in his friendship for the system of protection, that, during the next year, 1817, he substantially repeated them in another letter written to Mr. William Simpson, who had forwarded to him a pamphlet wherein direct protection to home manufactures was advocated. He then said:

"I have read with great satisfaction the eloquent pamphlet you were so kind as to send me, and *sympathize with every line of it.* I was once a doubter whether the labor of the cultivator, aided by the creative power of the earth itself, could not produce more than that of the manufacturer, alone and unassisted by the dead subject on which he acted; in other words, whether the more we could bring into action of the energies of our boundless territory in addition to the labor of our citizens, the more would be our gain. But the inventions of the later times, by labor-saving machines, do now as much for the manufacturer as the earth for the cultivator. Experience, too, has proved that mine was but half the question: the other half is, whether dollars and cents are to be weighed in the scale against real independence. The question is then solved, at least as far as respects our wants.

"I much fear the effects on our infant establishments [manufactures] of the policy avowed by Mr. Brougham and quoted in the

pamphlet. Individual British merchants may lose by the late immense importations, but *British commerce and manufactures in the mass will gain by beating down the competition of ours in our own markets.*"

There is no difficulty in perceiving the method of reasoning by which Mr. Jefferson, if he had ever inclined to a different theory, reached these conclusions — the same as influenced the minds of so many other eminent statesmen. He saw, what others also saw, that the manufacturers of the United States were standing face to face with those of Great Britain, and that they were confronted, by the latter, with the threat, as expressed by Lord Brougham in Parliament, that they would glut our markets with excessive importations, even at a large sacrifice, until they were broken down and destroyed. And knowing, at the same time, how competent this country was to supply all its own necessary wants, and the suicidal policy of its becoming dependent upon foreign nations for them, he unhesitatingly threw the great weight of his character in the scale on the side of his own countrymen against those who were striving to levy tribute upon us in our own markets. He could not have expressed other views without un-Americanizing himself.

The popular feeling in favor of protection grew stronger and stronger during all the period of Mr. Madison's administration. The prominent statesmen whose names have been mentioned were supported by the verdict of the general public. All classes exhibited the deepest anxiety upon the subject, as indicated by numerous public meetings. Not the rich alone, who represented

capital, but the poor, and those in moderate circumstances, saw in protection to manufactures the only means of diffusing prosperity, and making the nation entirely independent. The agriculturist realized that the prosperity of the manufacturer was so inseparable from his own that the impairment of one would prove equally injurious to both. The merchant knew that his commercial enterprise would terminate whensoever these two great interests became paralyzed by neglect. And the laborer well understood that with such a state of affairs as made these interests hostile to each other, there would be no compensation for his labor, and he would be in danger of the pauperism which prevailed in Europe. Consequently, the great questions involved underwent a thorough investigation, both in the legislative and popular forums, and when the duties upon a number of articles were increased, with the sole purpose of protection, universal satisfaction was expressed. Intelligent opinion centered in the belief that direct and immediate benefit would result to agriculture and manufactures — to the former by furnishing a steady home market for its surplus; to the latter by being supplied with the necessary raw materials for conversion into domestic fabrics. It was not believed that injurious animosities existed, or were likely to exist, between different parts of the country, on account of their diversified pursuits. Each section realized that, in order to secure the perfect independence of the nation, the whole country must be united in everything pertaining to its common happiness. The times which grew out of the war with

Great Britain were unfavorable for letting loose the passions, and the public mind quietly settled down into a calm and peaceful inquiry as to the best methods of securing the independence so anxiously sought after. Mr. Madison's administration closed under the influences thus beneficently existing, and he was, consequently, enabled to hand over the Government to his successor, with nothing to mar the peace or check the public prosperity, but with all its industries fostered by the national guardianship.

A gentleman who did much to influence the sentiments then prevailing thus happily and enthusiastically expressed himself, with reference to the existing state of affairs and the effects of protection:

"Agriculture is the heart, the fountain of life, from which the blood proceeds, and to which it returns. Manufacture is the hands, the instruments of labor, ingenuity and art, preparing food and raiment. Commerce is the feet, performing the necessary transportations and changes of place. And government is the head, the seat of intellect, which directs the whole with energy and wisdom."

Another of more celebrity and influence furnished the following as a key to the course it was the nation's duty to pursue:

"To cultivate the resources of our country, and depend on ourselves only, under Providence, for the means of happiness and comfort. To treat all foreign nations honestly and fairly, but to watch their movements to impair the strength or jeopardize the great interests of the American people in agriculture, manufactures, and commerce."

In continuation of the same subject, but with reference, more especially, to the tariff law of 1816, the same distinguished gentleman said:

"A new struggle has already commenced with the same nation [Great Britain] in the arts, as connected with agriculture, commerce and manufactures. The high ground so fairly won in the honorable and happy result of the former [the war] can be maintained only by activity, vigilance and perseverance in the latter. If the object of the one was to reduce us to 'unconditional submission,'—'to cripple us for fifty years,'—the effect of the other will not be less calamitous in bringing upon us a state of dependence and penury, if we blindly reject the dictates of reason and common sense, as founded upon the experience of nations. The general peace of Europe, and the natural progress of things under such a circumstance, will probably bring about revolutions in the arts, and especially in the commerce of the world, not less extraordinary than those we have witnessed in government, strange as they have been. There is nothing more evident to me than that *the prosperity of the people of the United States must rest upon their own vast resources, as applicable to the great interests of agriculture, commerce and manufactures.* But these resources may easily receive a wrong direction, or be neglected; and there is too much of a disposition wantonly to waste, or indignantly to reject them, from the habit we so long have had of gaping over the Atlantic for the means of comfort and of business, instead of seeking them at home. This propensity, the source of so many evils to the Republic, must be checked by the sober reason of persons not interested in the sale of British bobbins and tapes—or poverty is entailed upon us as an inheritance, justly deserved."

So strong was the conviction in the public mind that the ascendency of these principles—which were the reflex of those of Mr. Madison's administration—was necessary to the public prosperity, that when his administration closed, evidences of popular approval appeared in every direction. The Legislature of South Carolina unanimously passed a resolution complimenting his "wisdom, firmness and patriotism,"—manifestly having reference to his general policy, but necessarily including his earnest support of the protective system. And by no one was the

beneficence of the Government, as exhibited in the measures then existing, more eloquently vindicated than by the Governor of that State, when he spoke of the elevated condition of the people — blessed with a government "which, like the atmosphere, pervades everything, yet is nowhere felt." This sentiment was beautifully expressed, but its chief merit lay in the fact that it attested the pervading influence of protection, which was felt in all the departments of society.

CHAPTER XV.

MONROE BECOMES PRESIDENT — APPROVES PROTECTION — ADVOCATES HOME MARKETS — PROTECTION INCREASES PROSPERITY — ARRESTED BY CURRENCY CONTRACTION — RESTORED BY PROTECTION — MONROE FAVORS DIRECT NOT INCIDENTAL PROTECTION — NECESSARY TO INDEPENDENCE — NOT TO BE ABANDONED EVEN IF DEMAND FOR LABOR REDUCED — FREE TRADE INTENDED BY ENGLAND TO DESTROY OUR MANUFACTURES — MONROE OPPOSES IT BY RECOMMENDING ADDITIONAL PROTECTION.

MR. MONROE, when he became President, was undoubtedly influenced by the opinions expressed by all his predecessors, Washington, Adams, Jefferson, and Madison — especially the latter, under whom he had served as Secretary of State and Secretary of War — and by the policy of protection which had prevailed uninterruptedly from the beginning of the Government under the Constitution. He seemed so well convinced that an abandonment of this policy would result disastrously to the public welfare, that he departed from the customary course and referred to the subject in his inaugural address in 1817 by saying:

"*Our manufactures will require the systematic and fostering aid of the Government.* Possessing, as we do, all the raw materials, the fruit of our own soil and industry, we ought not to depend in the degree we have done on supplies from other countries. While we are thus dependent, the sudden event of war, unsought and unexpected, cannot fail to plunge us into the most serious difficulties. It is important, too, that the capital which nourishes our manufactures should be domestic, as its influence in that case, instead of exhausting, as

it may do in foreign hands, would be felt advantageously on agriculture, and every other branch of industry. Equally important is it to provide *at home a market for our raw materials, as by extending the competition it will enhance the price and protect the cultivator against the casualties incident to foreign markets.*"

Every idea is here expressed with great clearness. The whole argument is in favor of protection — direct and not incidental merely. He considered it the duty of the American people to work up the raw materials produced by their industry, into manufactured fabrics for their own use, instead of depending on supplies from other countries; and no less the duty of the Government to exercise its constitutional powers in the protection of manufactures for that purpose. And he pointed out the advantages agriculture would derive from this policy, in that it would furnish a home market for its surplus products, which, by competition, would enhance their price, and thus accomplish the purpose of increasing the value of agricultural labor. Any practical mind, not impressible by vague and speculative theories, can comprehend and appreciate the force of this.

When calling the attention of Congress to the subject in his first annual message, also in 1817, he said:

"*Our manufactures will require the continued attention of Congress.* The capital employed in them is considerable, and the knowledge required in the machinery and fabric of all the most useful manufactures is of great value. *Their preservation, which depends on due encouragement, is connected with the high interests of the nation.*"

At the time this was written the prosperity of the country was gradually increasing, occasioned mainly by the protection given by the Government to the various

domestic industries. A member of Mr. Monroe's cabinet, referring afterward to the condition of affairs then existing, said "there was a powerful feeling manifested at this time in favor of affording protection to the infant manufactures of the country." And this was exhibited by an amendment of the law of 1816, so as largely to increase the duties on copper, cut-glass, Russia sheetings, iron, nails, and cotton and woolen goods, with only three votes in the Senate and sixteen in the House of Representatives in opposition to it.

In 1819, however, there was a general depression in all values throughout the United States, which, of course, lessened the prices of labor in all its departments, as well as the business and profits of manufactures. This depression was said to have been produced by the reduction of the currency, made in order to keep the bank circulation of equal value with specie. Whether this was the real cause or not it must have contributed to the result in a considerable degree. But however this may have been, the derangement of business was only temporary — for then, as now, the American people were competent to contend successfully against any unfavorable condition of their affairs. The public debt was regularly and promptly paid as the bonds matured, with the accruing revenue from customs, aided by limited internal duties and excise taxes; so that, by 1821, brighter financial prospects began to dawn. And when this occurred, the state of things not only demonstrated the advantages that had been previously derived from protection to manufactures and the conse-

quent increase in the general wealth of the country, but it induced Mr. Monroe to remind Congress again of its duty on this important and vital subject. Accordingly, in his message of 1821, he said:

"It may fairly be presumed that under the protection given to domestic manufactures by the existing laws, we shall become, at no distant period, a manufacturing country on an extensive scale. Possessing as we do the raw materials in such vast amount, with a capacity to augment them to an indefinite extent; raising within the country aliments of every kind to an amount far exceeding the demand for home consumption, even in the most unfavorable years, and to be obtained always at a very moderate price; skilled also, as our people are, in the mechanic arts, and in every improvement calculated to lessen the demand for and the price of labor, it is manifest that their success in every branch of domestic industry may and will be carried, *under the encouragement given by the present duties*, to an extent to meet any demand which under a fair competition may be made on it.

. . . . . .

"It cannot be doubted that the more complete our internal resources, and the less dependent we are on foreign powers for every national as well as domestic purpose, the greater and more stable will be the public felicity. *By the increase of domestic manufactures will the demand for the rude materials at home be increased*, and thus will the independence of the several parts of our Union on each other, and the strength of the Union itself, be proportionately augmented."

If the topic we are considering did not involve so many and such diversified interests, and were not, on that account, of so much importance, these frequent repetitions of the same arguments would be tedious and unprofitable. But when we consider how anxious the early statesmen were that the advantages of protection should be realized and the system persevered in, it not only does not excite

any surprise to find them falling into the same line of reasoning, but justifies the repetition, because it shows such a degree of unanimity as could have alone arisen out of a just sense of obligation to the country. The grandest truths are frequently repeated in words of equivalent meaning, but they do not become any less important on that account. Protection finds the fullest justification in the fact that so many enlightened and thoughtful minds have entirely agreed with regard to it.

In addition to the foregoing general reflections, Mr. Monroe considered the matter with reference to the amount of revenue to be raised, under the existing tariff laws, and the the possibility of a deficiency. His whole argument, however, went to show that — like Washington, Adams, Jefferson, and Madison — he had no idea of the sufficiency of, what has been since called, incidental protection; or, if he had, that he gave no countenance to any such meaning of it, as that employed, in these days, by the free-trade enemies of protection. He regarded revenue, of course, as necessary for the support of the Government, and justified its being raised by duties upon imports in preference to direct taxation, because they were indirect and dispensed with the presence of the odious tax-gatherer. But he considered protection as necessary to the development and improvement of the country. Thus, both were looked upon as essentially important, but each as independent of and distinct from the other — accomplishing its own object.

Although Mr. Monroe regarded it as possible that

labor-saving machines — such as mechanical ingenuity would be likely to invent in aid of manufactures — might lessen the demand for and the price of labor, yet so essential did he consider the principle of protection that he was unwilling to see it abandoned, on that account. This belief once prevailed extensively, and, for that reason, the general introduction of such machines was viewed with much suspicion. Many intelligent and thoughtful people entertained the opinion that they would, in all probability, throw out of employment a considerable portion of the laboring population. But the effect of their introduction has been precisely the reverse. They have increased the demand for labor in every department of industry; and there is nothing better understood than that, by an invariable law, wages increase as the demand for labor increases. The present increased demand for labor is occasioned more by the success of manufactures than by any other cause. They have become so diversified as to create this demand for every variety of raw materials, the production and manufacture of which require every form of skilled and unskilled labor. They have, in fact, caused the introduction of many new kinds of labor hitherto unknown; so that no matter what a laboring man is fitted to do, he may find employment if he will. It is well understood that a surplus of labor will produce depression, as a surplus of agricultural products reduces prices. This depression is frequently produced by causes independent of the demand created by manufactures and not influenced by their existence or non-existence, such as war, decrease

of currency, bad crops, embarrassed trade, and other kindred matters. When manufactures are in a flourishing condition, and the currency is good and sufficient, and the crops are abundant, commerce is always prosperous; and these combined influences invariably enhance the demand for and the value of labor.

The country reached this condition during Mr. Monroe's administration, when it became manifest that it possessed the means of fully recovering from the effects of the war with Great Britain, and providing for all its wants by domestic means. But the evidences of prosperity then exhibited caused the introduction of a new element of disturbance, in the increased and more active efforts of Great Britain to counteract the effects of our protective policy, to which she, very properly, attributed the growth of our manufactures. She could easily foresee that, unless this were accomplished, the United States would soon become her most formidable rival in all the markets of the world, with a merchant marine of their own, and with manufactured fabrics equal, if not superior, to any she was capable of producing. Our progress was becoming so rapid that almost every day furnished more and better evidence of this. It became, therefore, a most vital question for Great Britain to decide by what means she could hold the United States in inferiority and retain her own supremacy. She had been accustomed to deal with matters of "great pith and moment," and always to decide with promptitude and sagacity — the promotion of her own interests being, under all circumstances, her leading and

governing motive. She possessed wise and experienced statesmen, who understood the springs and motives of human conduct, and were practiced in the art of government. The nature of the protective policy which had caused our development was well understood by them. They were witnesses to its practical effects upon their own manufactures, and the general interests dependent upon them. And, realizing that so long as our system of protection continued our growth could not be checked, they deemed it expedient to enter the field of argument, with a view to persuade us that we could not persist in laying discriminating duties for the encouragement of our manufactures without violating the spirit of fairness, which nations should exhibit in their intercourse with each other. Like a class of men found in the world who complain of others for doing what they do themselves, they did not deem it expedient to slacken their own exertions in protecting their own manufactures, but devoted themselves actively to the work of trying to convince us that it was a duty we owed to the advancing civilization of the age, to take the initiatory step in the establishment of free trade. This was the beginning of the agitation in favor of free trade — the first sowing of the seed which it was hoped, by the English manufacturers especially, would sprout and grow, and ripen into an abundant harvest of profit to themselves.

If there had been any indications tending to show that this agitation was designed to influence the policy of the British Government, so as to cause it to abandon the

principle of protection and to allow American manufactures to enter its ports without duties, it did not attract serious attention in this country. The evidences were all to the effect that the object was to induce us to allow British manufactures to enter our ports without duties, whilst the British system of levying duties upon ours was continued. Nevertheless, some of the citizens of this country, — the most of whom were students, college-professors, and men of letters, who had no experience in government or active business affairs, — imagined they saw humanitarian principles at the bottom of this movement, and that these might be so cultivated and expanded as to create a sort of millennium among the nations, when, in the spirit of universal brotherhood, mankind would labor and carry on commercial intercourse without reward or the hope of profit. Mr. Monroe had no sympathy whatsoever with the visionary doctrines of these enthusiasts, and, being watchful of the public welfare, felt it to be his duty, as President, to meet the issue between protection and free trade promptly and vigorously. He did this by recommending to Congress an increase of protective duties, as the most suitable response that could be made to free-trade speculations. In his message of 1823 he said:

"Having communicated my views to Congress, at the commencement of the last session, respecting the *encouragement which ought to be given to our manufactures*, and the principle on which it should be founded, I have only to add that *those views remain unchanged*, and that the present state of those countries with which we have the most intimate political relations and greatest commer-

cial intercourse *tends to confirm them.* Under this impression I recommend a review of the tariff, for the purpose of affording such *additional protection* to those articles which we are prepared to manufacture, or which are more immediately connected with the defense and independence of the country."

Here the purpose of the President in recommending an increase of duties is expressly and distinctly avowed. It has not the slightest relation to revenue, which was then sufficient for all government purposes, but to the protection of manufactures alone. The amount of protection then afforded under the existing tariff laws not being deemed sufficient, he recommended that they should be increased until it became so. The proposition was plain, simple, and well understood by Congress and the country. And by keeping it in mind we shall be able to interpret understandingly the laws subsequently passed, and to see that they were absolutely necessary, not only because they constituted an important part of our existing national policy, but were strictly in self-defense.

CHAPTER XVI.

MONROE RECOMMENDED ADDITIONAL DUTIES WHILE REVENUE WAS SUFFICIENT AND INCREASING — TARIFF OF 1824 PASSED FOR THAT PURPOSE — MONROE'S ADMINISTRATION FAVORABLE TO PATRIOTIC LEGISLATION — NO PARTY PLATFORMS — ENGLAND PROPOSES FREE TRADE TO COUNTERACT PROTECTION — HER WEALTH PRODUCED BY PROTECTION — HER OBJECT IN PROTECTIVE AND NAVIGATION LAWS — HER CLAIM OF SUPERIORITY FOR HER MANUFACTURERS.

IT has been heretofore stated that the tariff law of 1816 was as strongly protective as the necessities of the country then demanded. By the year 1823, the influence of protection had been exhibited in the general prosperity derived from the increase of manufactures, and as the attempt was then made to set up against it the rival principles of free trade, the most successful mode of meeting the question was that adopted by Mr. Monroe, — that is, by "*additional protection*" for the encouragement of our own manufactures, and further material development, already so auspiciously begun. In this way, and this alone, he met the sophistry of free trade.

The avowed purpose of Mr. Monroe was to provide, not for revenue alone, but for protection also, as a distinct and substantive principle. There was no necessity for any change in the existing laws on account of revenue, for in the same message in which he recommended "*additional protection*," he said: "The actual condition of the public

finances more than realizes the favorable anticipations that were entertained of it at the opening of the last session of Congress." The balance in the treasury had been steadily increasing during the year — as it did, in fact, during all the years of his administration. Therefore, as the revenue was abundant for all the wants of the Government, the only object of his recommendation was protection — substantive and direct. He, like all his predecessors in the Presidency, had no thought of leaving the development of our vast resources to either chance or accident; but, realizing the importance and magnitude of the immediate issue, he met it with the courage and sagacity which belong to true statesmanship. And the result was seen in the adoption of his recommendation by Congress, and the passage of the tariff law of 1824, which gave the "*additional protection*" to manufactures desired by him. Thus the country was taught a lesson of practical wisdom, which it hailed with general satisfaction. On all hands it was regarded as the promise of increased prosperity in every branch of business and industry. There was no room for scheming politicians — if there were any so disposed — to plan for the defeat of the popular will, nor any opportunity for them to indulge their ambition at the expense of the public welfare. The country demanded with authoritative voice, that the affairs of the nation should be patriotically conducted, and the times were so free from all the bad influences of party that the popular command was promptly obeyed by the adoption of the Presidential recommendation. Those familiar with our history will

recognize Mr. Monroe's administration as a most favorable time for such legislation. That period was known as "the era of good feeling." No such violence of party existed as requires blind obedience to its commands, or visits a refusal with ostracism. It was before the days of party platforms — those Procrustean beds upon which all who lie down must submit to be made of the same length. Mr. Monroe had been nominated by the Republican members of Congress, "as a suitable person for the office of President," without being required to pledge himself to the support of any particular measures of policy. Consequently, his administration transpired at a time most favorable for consideration and calm discussion, and for the ascertainment of the public will. And when it is remembered that, under these circumstances, his recommendation for "*additional protection*" was adopted by Congress, the flippant assertion that protection is both unconstitutional and inexpedient, made by some politicians in our day, is calculated to excite a smile, if the subject were not too serious for levity.

We have seen that, at the time here referred to, a movement had been inaugurated in England in favor of free trade in the United States, and that it originated in the spirit of rivalry combined with fear — of rivalry excited by our rapidly-increasing national greatness, and the fear of our ultimate national superiority. Nobody ever doubted the sagacity of the English people, or the great influence invariably exercised by their Government. And in the circumstances now to be stated, we shall find abundant

evidence of both;—circumstances necessary to be detailed in order to comprehend the character of their national policy, and the ends designed to be accomplished by it.

It is a well attested fact that the commercial wealth of Great Britain had its origin in the principle of protection —in the policy which gave preference to her own products over those of other countries. By means of this policy she was enabled to employ her own labor and capital for the maintenance of her own industry and the development of her own resources. She was selfish in all this, but not unduly so—for other nations do, or ought to do, the same things. It may be well enough, in the abstract, to talk about liberality, reciprocity, and all that sort of thing, among different peoples; and for closeted students of political economy to construct theories based upon these considerations, as if the "golden rule" were universally observed. But in the practical operations of Governments, self-interest is, always has been, and is likely hereafter to be, the great and governing motive. Nations, like the bulk of mankind, do what is deemed best for themselves—which they do without violating the laws of morality or intercourse—and never become great and powerful if they do not. They find better assurance of distinction, permanence, and especially of wealth, in commercial activity, than they do in letters and art,—as is seen by comparing the countries of the present time with such as flourished in the earlier ages. And as commerce cannot exist without manufactures, nor manufactures without a developed agriculture, nor a developed agri-

culture without manufactures, so the protection of manufactures is the encouragement of labor in all its departments. Hence, protection is as necessary to the greatness of a nation as the circulation of the blood is to animal life.

No nation is better advised of this than Great Britain; and, therefore, she has taken care, from an early period, to see that her own manufactures were fostered and built up by proper Government protection. Whilst the continental nations of Europe have been engaged in wars about "the balance of power," and she has been compelled to take some part in them, on account of her geographical position, she has kept herself under the guidance of discreet and sagacious statesmen, who have administered her affairs with profound wisdom — which has been exhibited in nothing more conspicuously than in those measures by which her commercial supremacy has been created. She long since foresaw that her limited extent of territory would prevent her from becoming a successful rival to other great powers, unless she held her own fortunes in her own hands and guided them as her own peculiar interests demanded. Consequently, her colonial possessions have been extended until they reach all the continents and every sea, in order to obtain markets for every variety of her products. And with the view of securing the means to supply these markets, she has incited her people to build up manufactures, and has protected them, to the utmost of her power, by whatsoever legislation she has found necessary for that purpose. Her former wars with France and other European powers diminished her wealth

and impaired her strength, for a time. But when she realized what benefits France had derived from the system of protection to manufactures, introduced by the sagacious and cool-headed Colbert, under Louis XIV., she entered, with her accustomed energy and alacrity, upon the same course of policy for herself. As in France, the theories and fine-spun speculations of Quesnay and Turgot had weighed but little against the practical wisdom of Colbert, so, in Great Britain, the free-trade notions of Hume and Smith were of no avail against the teachings of experience and common sense, so long as she could find fresh fields for her commerce, or until a new nation appeared, on this side of the Atlantic, to whom, by possibility, she might be compelled to surrender up the scepter of commercial supremacy.

The commercial policy of Great Britain, therefore, was based strictly upon her protective system. The importation of foreign commodities of every kind was almost entirely prohibited by duties levied with that express view; — some articles were excluded by absolute prohibition. Navigation laws were passed requiring ocean trade to be carried on in British ships alone. And, in order to develop every possible source of domestic industry and wealth, the importation of food from other countries was forbidden by what were known as "corn-laws." Substantially, the English people shut themselves up in their "island-home," almost entirely excluded everything that was not the prod uct of their own industry, and employed all their energies

in making themselves, what they actually became, the greatest and most influential power upon earth.

We have seen that when we achieved our Independence these measures were in successful operation, and that they bore, most oppressively, upon the people of this country. We should, therefore, have been singularly remiss in duty to ourselves if we had not profited by an example so directly in our view. Under this conviction our early statesmen acted when they, with so much unanimity, established the system of protection. And we, who are now alive, are living in the midst of the benefits conferred upon us by their wise and prudential policy. We see them in every direction. Each step in our marvelous progress is marked by new developments, and each new development leads to increased skill and industry. The spirit of invention has been aroused, and almost every day is ushered in with the announcement of some new and valuable discovery.

It was the unmistakable evidence of this progress which alarmed the British nation and manufacturers, and caused their fears to suggest the theory of free trade — not for adoption by Great Britain, but by the United States! When, however, they saw that our tariff law of 1824 was passed — based upon Mr. Monroe's recommendation of "*additional protection*" — they realized that some other argument than that which alleged the illiberality of protection would have to be employed, in order to bring us within the meshes of the net they had so adroitly woven. Accordingly, they endeavored to convince us that, on

account of the superior skill of their manufacturers, they could employ our raw materials better than we could ourselves; and that it would be to our interest to submit to this, because it would be cheaper for us, inasmuch as the reward of labor was much less in Great Britain than in the United States. This theory was supported by the assumption that governments should not interfere, even for purpose of raising revenue, between the producer and the consumer, notwithstanding they belonged to different countries; but that they should be left to sell in the highest and buy in the cheapest markets, wheresoever they were found. And being, themselves, accustomed to direct as well as indirect taxation for the support of Government, they seemed to suppose that we could be prevailed upon to abandon our system of raising revenue by adopting the theory of free trade, and thus to oppress our laboring population by heavy burdens of internal taxation, according to the method by which their own laboring people had been kept in poverty. And yet, at the same time, they failed to put their own theory of free trade into practice, and retained their system of indirect as well as direct taxation; — in other words, they asked us to take off all our protective duties, while they persevered in theirs.

CHAPTER XVII.

PRODUCERS OF COTTON INFLUENCED BY ENGLAND TO ADVOCATE FREE TRADE — THEY PREFER ENGLISH TO AMERICAN MANUFACTURES — THEIR INTERESTS PROMOTED BY PROTECTION — COTTON MANUFACTURES IN THE UNITED STATES — AMERICAN COTTON NOT FAVORED AT FIRST BY ENGLAND — THAT FROM HER COLONIES PREFERRED — COTTON-GIN AND SEA-ISLAND COTTON PRODUCED CHANGE — GAVE UNITED STATES ADVANTAGE — FREE TRADE INTENDED TO CONTINUE ENGLISH MONOPOLY — ENGLISH RELATIONS TO FOREIGN TRADE.

THE passage of the tariff law of 1824 was an event of no special significance in itself, for the reason that it was only a single forward step in the progressive measures of policy which had existed during the entire lifetime of the Government under the Constitution. It was a natural thing to do in the ordinary and wise administration of public affairs. Yet it was followed by consequences which proved ultimately to be of the most serious and threatening character. It led to an organized opposition to protection, to manufacturing industry, and to the whole system of tariff legislation;— culminating in sectional strife and the direct advocacy of free trade. A little patience only is required in the investigation to see and understand the new agencies created for these purposes; — without which many of the subsequent events in our history cannot be appreciated as they deserve.

The cultivation of cotton, in what came to be known

as the planting States, created a new and important industry, which was finally made to assume an unfortunate and mistaken attitude of opposition to manufactures. This was, in the end, carried to such an undue extent as to demand an entire change in the policy and practice of the Government;—in other words, an abandonment of the principle of protection, which the cotton-growers had themselves materially aided in establishing.

Although this interest was included in the general designation of agriculture, it soon acquired a significance peculiarly its own. In 1800 there were only 500 bales produced in the United States; but by 1824 it had come to be the most valuable article of export from this country, and was steadily increasing. During the progress of this increase it had required and obtained from Congress what was deemed to be a full measure of protection,—given with the express view of obtaining a home market for the raw material. For this purpose the duty on foreign cottons was increased, in 1816, from fifteen to twenty-five per cent, at the instance and under the championship of some of the leading and most distinguished members of Congress from the cotton-producing States, with Mr. Calhoun at their head. This rate of duty was a compromise between the manufacturing and the cotton interests. No actual antagonism existed rendering a compromise necessary, but only a difference of opinion with regard to the amount of duty necessary to assure the proper degree of protection, which all were inclined to give. The friends of the cotton interest thought that a duty of thirty per

cent was required for that purpose, but it was objected to this that it might have the effect of lessening the revenue by prohibiting importations. Therefore the duty was fixed at twenty-five per cent by agreement. And the result proved the wisdom of the arrangement, inasmuch as it turned out that the cultivation of cotton was stimulated in an unexampled degree; so that, in 1824, the necessity for the continuation of the same duty was recognized both by the manufacturers and cotton producers. Mr. Monroe's recommendation for "additional protection" was not regarded as having special reference to cotton, for that was sufficiently protected, as eight years of experience had proved. Consequently the cotton duty fixed in 1816 was continued in the tariff law of 1824, whilst the duties were increased upon numerous other articles. Protection was given to all the interests requiring it, and there was nothing better or more satisfactorily provided for than cotton.

By 1824 establishments for the manufacture of cotton goods had grown up, first in Rhode Island, and afterward in New York, New Jersey, and generally throughout the New England States. Many enterprising citizens had been induced by the policy and encouragement of the Government to withdraw their capital from ocean commerce and to invest it in this important enterprise at home. This was considered mutually beneficial to all the sections, especially to the manufacturing and the cotton-growing States, because the producers of cotton were furnished with a steady and profitable market for

their raw material, and with manufactured fabrics in exchange for it at fair prices. Thus there was assured to each increasing general prosperity and wealth,— the profits of the interchange going into the pockets of their own countrymen and not into those of the already wealthy manufacturers of Europe. Manifestly, Mr. Monroe had this state of things in his mind when, in his message to Congress, he recommended that the system of protection should be persevered in, and also when, at the close of his peaceful and conservative administration, he congratulated the country upon the extraordinary and unprecedented degree of prosperity it had reached.

The first importations of cotton from the United States into Great Britain were not favorably regarded by the manufacturers of that country. The quality was not considered equal to that obtained from other countries, especially from the possessions of the East India Company, which were entirely under English control. Whilst this opinion prevailed the Government of Great Britain did everything in its power, by protective and prohibitory laws, to give to the cotton of other countries, especially that from its own Colonies, preference over that produced in the United States. Its legislation with reference to the latter was essentially adverse, — so much so as to create in the minds of the British manufacturers of cotton goods a belief that they possessed the power to control entirely the American trade, and that there was no probability that they would encounter any formidable rivalry from the cotton

manufacturers of the United States. They based this belief upon two considerations: first, that they supposed our cotton inferior to theirs, and second, that as their labor was much cheaper than ours they could afford to undersell our manufacturers in our own markets. Neither the Government nor manufacturers of England expected this state of affairs to continue beyond the point of destroying our manufactures. That being accomplished, as they confidently thought it would be, they expected to continue a monopoly of the American market, and reward themselves by prices regulated by their own interests, without any competition in this country to resist them.

This uncertainty of the English market for American raw cotton accounts for the anxiety of the producers of that article for the protection given to their interest by the laws of 1816 and 1824. Realizing that the British manufacturers would withdraw their demand when they could procure the raw material elsewhere, and that the most active measures had been adopted to enable them to obtain it from the British Colonies, they foresaw that, unless manufactures were built up in the United States, there was imminent danger of their being left without any market whatsoever for their cotton. Hence, they asked the protection of the Government, and it was given them, as a necessary part of the system which had been established for national purposes. And it is now scarcely possible for the most fertile imagination to picture the beneficial consequences, to all parts of the Union, which would have followed their continued acquiescence in the measures of pro-

tection asked for by themselves and ungrudgingly granted by Congress. Unfortunately, however, for themselves and the country, they were so misled by evil counsels as, ultimately, to involve themselves in an alliance with the English manufacturers against whom, in 1816 and 1824, they earnestly asked protection. We shall see, as we progress, how this alliance was produced, as well as the motives and consequences of it.

The invention of the cotton-gin enabled the American producers to clean their cotton better, and put it in a more suitable condition for market, than they had previously been able to do. This was the beginning of a revolution in the cotton trade. Its first effect was to excite the apprehension in Great Britain that, by possibility, the time might come when American cotton would supersede that of India in the English market. Besides, the cultivation of Sea-island cotton in the United States, with its longer and finer fiber, had introduced an article superior to any hitherto known, and not likely to be equaled by the production of any other country. These facts caused the statesmen and manufacturers of England unprecedented surprise. They then began to see the probability of a rivalry they had not before regarded possible, and, without delay, inaugurated efforts to overcome it by cautious and well-matured policy. They manifested their alarm in many ways, but chiefly by measures looking to either one of two results: the production, in India or elsewhere within the British possessions, of as good cotton as the Sea-island cotton of the United States; or the destruction,

in some mode, of the manufactures of the United States, so as to compel our producers to export their raw material to them and to take their manufactured fabrics in exchange, paying them, of course, in specie, whatsoever balance there might be in their favor. It made but little difference to their interests which of these projects proved successful. Either was sufficient for their purpose. And therefore they entered upon, what was called, a "new departure," with their accustomed zeal and alacrity — with what is regarded as true English pluck.

It soon came to be demonstrated, however, that our Sea-island cotton was without a successful rival in the world, and that it was likely to remain so. Its superiority was acknowledged, and the hope of being able to produce its equal in India or elsewhere, had, from necessity, to be abandoned. Consequently, the other alternative course only remained — which was to break down American manufactures. The magnitude and importance of this was well understood, and the measures deemed necessary to accomplish it were cautiously and intelligently planned. Inasmuch, however, as the plan involved the necessity of inducing the United States to adopt the policy of free trade — which had been expressly repudiated by the Government — it was greatly weakened by the fact that the British Government still continued to adhere to its own favorite system of protective and prohibitory duties. There was not an article that could be produced in that country that was not placed upon the dutiable list. The only difference between raw materials and manufactured

articles was that rendered necessary for protection. The importation of wheat was entirely prohibited until the price was reduced to seventy shillings per quarter— or eight bushels —which was only a reduction of a few shillings per quarter from what it was in the Corn-law of 1815. No importation could be made of commodities produced in foreign countries unless in British ships, or in those of the countries from which they were exported, or where they were produced. The original Navigation law had only been so far modified as to allow the exportation of British goods in foreign ships; but even this concession was embodied in a commercial treaty with the United States, and arose, in a large degree, out of the fear of retaliation. The question was difficult to manage. An English advocate of free trade says with reference to it:

"It will be observed that there was not a single avenue through which the produce of foreign labor could obtain admittance in this country [Great Britain] without the payment of heavy toll. *Every device was resorted to in order to induce the foreigner to buy of us, and to prevent us from buying of him.* This was called 'maintaining the balance of trade in our favor.'"

Thus we are furnished with a key which enables us to interpret the motives of our great commercial adversary. Whilst, with one hand, she presented us the banner of peace and concord, bearing the motto of "free trade," she held the other in readiness to seize upon our resources and exhaust our wealth. She was to buy nothing of us, but we were to be compelled to buy all our fabrics from her! And to accomplish this we were asked, with wonderful complacency, to adopt the principles of free trade, whilst her own

illiberal policy was in no essential degree relaxed. It is not necessary to complain of her for thus doing what, under like circumstances and conditions, any other nation would have been likely to do, and what, when done by a people who are diligent in the promotion of their own interests, is commended as wise and sagacious policy. Yet this knowledge of the end she desired, and of the means employed to reach it, will enable us to interpret much that transpired in our own history,—with which our present investigations are mainly concerned.

CHAPTER XVIII.

ENGLISH MANUFACTURES INJURED BY COMPETITION WITH THOSE OF THE UNITED STATES AND FRANCE — MOVEMENTS TOWARD FREE TRADE — HUSKISSON, FREE-TRADE LEADER — HIS POLICY TO PRODUCE IT — CHEAP LABOR MAKES CHEAP MANUFACTURES — INFLUENCE OF ENGLISH ARGUMENTS IN UNITED STATES — THEY CRITICIZE PROTECTION — CHIEF OBJECTION THAT IT DRAWS LABOR AWAY FROM CULTIVATION OF LAND — WE MUST CULTIVATE ALL OUR LAND BEFORE MANUFACTURING — PEOPLE HERE TOO INDEPENDENT FOR MANUFACTURING LABORERS — ENGLAND SHOULD CONTINUE MANUFACTURING BECAUSE OF HER CHEAP LABOR.

FROM some cause or other, not necessary to be inquired into here, the manufacturers, merchants and traders of England were, at the period referred to in the last chapter, plunged into great financial embarrassment. All pursuits were, more or less, affected by it; — the land-owners in less degree than others, because of the fact that, under the land system of that country, their incomes are mainly derived from rents, which are not subject to fluctuation by the ordinary laws that regulate the prices of labor and its products. It was sufficient to excite the most serious apprehensions with reference to the continuance of British preëminence as a commercial nation, and to call for Parliamentary relief. This was afforded, of course, as far as it could be done by legislation,— for the Government of Great Britain never fails to intercede in behalf of British trade and commerce when they require it. What

was done by Parliament, however, had reference to intercourse with foreign nations, especially with France and the United States,— a fact which demonstrates that the existing embarrassment had been occasioned by the deranged condition into which manufacturing industry had been thrown by French and American competition. French silk manufactures were entirely excluded from British ports; and the inability of the manufacturers of that country to produce as good an article as that which France was able to supply, had almost driven English silks from the other markets of the world. And the superiority of our cotton fabrics over those of that country — owing both to the excellency of our Sea-island cotton and the ingenuity of our artisans — had threatened the same result in the trade in cotton goods. Both these consequences had to be provided against, or Great Britain would be compelled to submit to the loss of much of the importance she had acquired in the commercial world.

About this time the theory of free trade was earnestly enforced by extensive circulation of the arguments of Hume, Smith, Ricards, and other political economists in Great Britain, who gave to it the influence of their eminent abilities. It consequently became a more important factor in directing public sentiment than it had previously been; and it was insisted that the British ports should be made entirely free, under the professed belief that the example would be followed by other nations, especially the United States, through the influence of immediate commercial intercourse. It now found advocates

in Parliament. Mr. Huskisson was foremost among these, and, as President of the Board of Trade, distinguished himself by proposing a departure from the old system of protective duties, by such gradual steps as should ultimately lead to its entire abandonment. To counteract the adverse influences which had been experienced with reference to French silk manufactures, the prohibition of them was made to cease prospectively in July, 1826, and the duties on raw silk were immediately reduced. As regarded cotton goods Mr. Huskisson favored a reduction, but not the immediate abolition of the duties. He proposed to leave these still protective. He assigned as a reason that he considered the reduced duties "sufficient to counteract the small duty levied upon the importation of the raw material into this country [Great Britain] and the duty upon any other articles used in the manufacture." He proposed the reduction of the duties upon other articles, such as woolens, linens, glass, and iron, all with the same end in view,— that is, ultimate free trade. His propositions, however, were not adopted by Parliament, as they were considered too radical, as making a more rapid advance toward free trade than the country was prepared for. Mr. Huskisson was not seriously disconcerted, nor did he abandon his purpose, which was to reach the result he desired by slow and regular approaches, like a skillful military engineer who seeks the capture of an enemy's fort. He well understood the magnitude and difficulty of the work he had undertaken, inasmuch as the protective system had become

so interwoven with British policy, and had borne such rich and valuable fruits, that it would be hard work to break it down — if, indeed, it could be accomplished at all. His only hope of success lay in the probability of his being able to convince the British manufacturers themselves,— who had derived special benefits from protection, that free trade furnished the only method by which their interests could be maintained and their establishments saved from destruction. He appealed to their interests, and, in order to strengthen the cause in which he was so earnestly enlisted, he made his appeal in such methods as he designed should also reach the cotton growers of the United States. The plan involved an alliance between the British manufacturers and the American producers of cotton, the central feature of which should be a common warfare upon American manufactures. The argument addressed to the first — that is, the British manufacturers — was this: that as the cheapness of their fabrics had been caused and could only be maintained by the depressed and pauper rate of wages paid to their laborers, therefore as free trade would keep wages down almost to the starvation point, they would be able, by means of it, to undersell all rival manufacturers, especially those of the United States, where wages were higher, and thus continue to monopolize the markets of the world. And to the producers of cotton in the United States, the special argument was addressed that it would be to their interest to buy their fabrics from British manufacturers on account of their low prices, and rely upon the British market for the sale

of their cotton;—in other words, that it was their duty to sell in the dearest and buy in the cheapest markets, no matter what other considerations were involved.

In one of his Parliamentary speeches Mr. Huskisson said:

"To bring this subject more particularly before the House, I will begin with our greatest manufacture, that of cotton. It will not be denied that, in this manufacture, we are superior to all other countries; and that, by the cheapness and quality of our goods, we undersell our competitors in all the markets of the world, which are open alike to us and to them. I do not except the markets of the East Indies (the first seat of the manufacture), of which it may be said to be the staple, where the raw material is grown, and where labor is cheaper than in any other country, and from which England and Europe were, for a long time, supplied with cotton goods. Now, however, large quantities of British cottons are sold in India at prices lower than can be produced by the native manufacturers. If any possible doubt could remain, that this manufacture has nothing to apprehend from competition anywhere, and, least of all, from a competition in our own home market, it must vanish when I state to the committee," etc.

There is no special reference here to the United States, but it is evident that Mr. Huskisson intended to include every country from which competition could possibly come. His controlling idea was that, as against it, from any part of the world, Great Britain was prepared, by reason of the cheapness of her cotton goods, for which she was indebted to the low rates of wages paid by her manufacturers. Therefore he intended that his argument should reach the cotton-growers of the United States, because he supposed they would permit their interests to be appealed to by the low prices of cotton goods. And in this—unfortunately for the cotton-growers themselves—he was not mistaken.

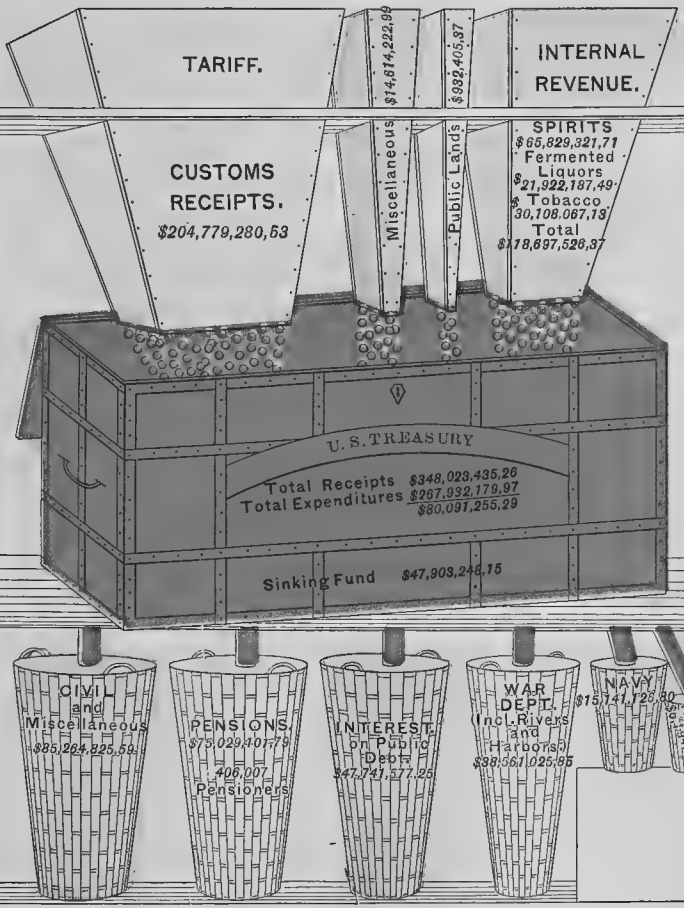
It so turned out, in a short time, that the arguments of the free-trade party in England and the opponents of protection in the United States, were substantially the same — that, in fact, the former dictated the opinion of the latter almost entirely. They acted conjointly, in the United States and England, each furnishing aid to the other, in the effort to bring the people of this country to the point of acknowledging that all their past experience was misleading; that they had not understood their true interests; that Washington, Adams, Jefferson, Madison, Monroe, and a host of other eminent statesmen, were mere political empirics, who did not comprehend the true character of the Constitution, or the structure of the Government, or the necessities of the public welfare; and that the only true friends of this country were those who desired to destroy the measures which had produced prosperity, and substitute for them such as British interests and cupidity should prescribe.

Those familiar with the free-trade arguments employed in this country will, by comparing them with such as have been used in England, have no difficulty in detecting their resemblance — which has frequently amounted almost to identity of thought and language. Only a single example of this — bearing upon the point we are now considering — is practicable. An article was inserted in the Encyclopedia Britannica — a standard work of national character — which was intended as responsive to our protective legislation, more particularly that embodied in our tariff law of 1824. It appeared soon after Mr. Monroe's recommen-

RECEIPTS AND EXPENDITURES

UNITED STATES GOVERNMENT.

Year ending June 30, 1887.



Benedict & Co., Engr's. Chi.

dation for "additional protection," and was intended to show how erroneous were the opinions prevailing in this country. It treats of "the premature attempts which have been made to establish cotton manufacture in the United States," and criticises our protective policy, and its ultimate influence, entirely from an English standpoint. On this account it is specially worthy of reproduction to the extent of showing the main points of the English free-trade argument. It says:

"The American Government has evinced great anxiety for the accomplishment of this object [establishing cotton manufactures] without considering that manufactures are valuable to a country, only in so far as by their means the people can be supplied with the article cheaper than they are able to procure it elsewhere. When a manufacture requires the support of bounties, or of laws prohibiting the importations of similar articles, it is the consumption of the national wealth to encourage the prosecution of a branch of industry incapable of maintaining itself. There is no greater error in policy than this; and yet we see it every day committed by young nations *forcing* manufactures, before the circumstances of the country admit of such undertakings; and by old nations persisting in the manufacture of articles which, from natural disadvantages, they cannot produce at so low a price as that at which they might purchase them from others.

"The favorite system of a country supplying everything within itself is alike adverse to individual advantage, and to the increase of national riches. . . . It is not by a nation manufacturing everything it consumes that it is to be made rich, but by its people being profitably employed; and this can only be accomplished by the industry which every individual practices, being what he can, with advantage to himself, exchange with the industry practiced by others. . . . If these principles be just, it must be a misapplication of American capital and industry to withdraw them from their present employment, in *extending the cultivation of the soil*, and in circulating its products — undertakings which the people find

profitable — to force them into manufacturing concerns supported by monopolies and bounties.

"Before America can be in a state to carry on manufactures in competition with those of Europe, her *vast tracts of unoccupied land*, into which the growing population of her older settlements is regularly flowing, *must be stocked.* Until this is the case, her supply of laborers will be kept below the demand, and *the wages above those paid in the better peopled countries of Europe.* Besides the effect which this state of the supply of labor has in increasing the cost of the article, it is adverse to the proper and advantageous execution of the work. *The workmen are too independent*, and in conseqence too unsettled, to *submit to that discipline* and course of training from which alone excellence of quality, and a steady production of quantity, are to be obtained."

This author did not understand our system of protection, for it has never been carried to the extent of sustaining manufactures either by prohibitory laws or by bounties. But he was doubtless sincere in his exertion to prove to us that it would be better for us if we were all cultivators of the soil, and compelled to buy our manufactured goods from Great Britain, than to undertake to manufacture them at home. He wrote as a citizen of Great Britain — a rival nation — being fully competent to understand that, if we should adopt the policy of free trade, we would be kept in a condition of inferiority and dependence. His effort, to a certain extent, was successful — for his arguments, almost as soon as made, were adopted by the enemies of protection in the United States, and have ever since furnished them with the materials of agitation. There is, however, this difference: that, in this country, they are less frank than the English author, in concealing one of the strong points in favor of free trade;

which is, that manufactures in this country will increase the wages of labor far above those paid in Europe, and tend to build up a large class of independent laborers and artisans. He desired to prove that, because of the low wages paid for labor in Great Britain, manufactures could be conducted there much cheaper than here, which would lower the price to the consumer; whereas, they accept as true only that part of his theory, and are ready to give the preference to British over American fabrics, notwithstanding such a policy would tend to keep down the wages of labor here to the pauper standard of Europe. An accurate tracing of the growth and effect of these ideas in this country, would make a most instructive chapter in our national history. Our present inquiries lead only to general allusions to them.

CHAPTER XIX.

PRESIDENTIAL CONTEST OF 1824 — ALL THE CANDIDATES FAVOR PROTECTION — JACKSON VOTED FOR TARIFF OF 1824 — CLAY FOR THAT AND TARIFF OF 1816 — JACKSON'S LETTER TO COLEMAN — NO FARM PRODUCTS EXCEPT COTTON HAVE MARKETS — NECESSITY FOR HOME MARKETS — WE MUST BECOME AMERICANIZED — LABOR MUST BE DISTRIBUTED — JOHN QUINCY ADAMS ELECTED BY HOUSE OF REPRESENTATIVES — FIERCE CONTROVERSY ENSUED — ADAMS FAVORED PROTECTION — JACKSON AGAIN A CANDIDATE — HE FAVORED PROTECTION — MURMURINGS IN SOUTH CAROLINA AGAINST PROTECTION.

WE have now reached a new and most important era in our political history — some of the events of which will be remembered by persons yet living. It is a period which should not be lightly passed over, for it witnessed the inauguration of a contest not yet fully ended, although it has thus far resulted in consequences which have caused millions of hearts to bleed. It is not now referred to for the purpose of reviving any of the old antagonisms and fierce animosities to which it has given birth, but only in order that we may profit by experience, and avoid everything in the future that could, by possibility, disturb our national harmony. "Errors cease to be dangerous when it is permitted freely to contradict them." And when we learn that they have borne bitter fruits, it will be worse than criminal to repeat them.

The second term of Mr. Monroe closed in March, 1825

— after the tariff law of 1824 had been passed in response to his recommendation for "additional protection." This made it necessary to elect a new President in 1824, and with that view the several candidates were put in nomination early in the year. At that time there existed, throughout the whole country, such hearty approval of the policy of protection to manufactures, and it had become so well established, that the candidates were chosen with reference to their willingness to preserve it. The fact is — as the history of that period well establishes — that no man, however distinguished for the highest qualities of statesmanship, could have had the slightest possible chance of election without the distinct understanding that he was in favor of protection. There was no man of special prominence who was not so; — or, at all events, there were none who, at that time, advocated its abandonment. The candidates were John Quincy Adams, Andrew Jackson, Henry Clay, and William H. Crawford. Mr. Adams, who was Secretary of State under Mr. Monroe, had been so identified with the interests of a manufacturing community that no doubt was entertained about his views. General Jackson was a member of the United States Senate, and had voted for and earnestly supported the tariff law just passed. Mr. Clay had also voted for and supported that law, as he had previously the law of 1816. Mr. Crawford was also a member of Mr. Monroe's Cabinet, as Secretary of the Treasury, and was fully committed to the recommendation for "additional protection." All of them, therefore, were in favor of protection, and the whole country so understood it.

Perhaps not one of them expressed himself so strongly and earnestly upon the subject as did General Jackson, who had a habit of being so frank and outspoken in the avowal of his opinions as never to leave any room for doubt about his meaning. He had occasion to write to Dr. Coleman of North Carolina upon the special subject of protection, and in a letter dated April 26, 1824, said:

"Heaven smiled upon and gave us liberty and independence. The same Providence has blessed us with the means of national independence and national defense. If we omit or refuse to use the gifts which have been extended to us, we deserve not the continuance of His blessing. He has filled our mountains and our plains with minerals — with lead, iron and copper — and given us a climate and soil for the growing of hemp and wool. These being the greatest materials of our national defense, they ought to have extended to them *adequate and fair protection, that our manufacturers and laborers may be placed in a fair competition with those of Europe*, and that we may have within our country a supply of those leading and important articles so essential in war.

"I will ask, what is the real situation of the agriculturalist? Where has the American farmer a market for his surplus produce? Except for cotton, he has neither a foreign nor a home market. Does not this clearly prove when there is no market at home or abroad, that there is *too much labor employed in agriculture?* Common sense at once points out the remedy. Take from agriculture in the United States six hundred thousand men, women and children, and you will at once give a market for more breadstuffs than all Europe now furnishes us. In short, sir, *we have been too long subject to the policy of British merchants.* It is time we should become a little more *Americanized, and, instead of feeding paupers and laborers of England, feed our own;* or else, in a short time, by continuing our present policy, we shall all be rendered paupers ourselves. It is, therefore, my opinion, that a careful and judicious tariff is much wanted to pay our national debt, and to afford us the means of that defense within ourselves on which the safety of our country and liberty depends; and last, though not least, give a proper distribution to

our labor, which must prove beneficial to the happiness, independence and wealth of the community."

In order to interpret this letter rightfully, it is necessary to observe the fact that it was written while the bill which subsequently became the tariff law of 1824 was pending in Congress,— that is, between three and four weeks before the final vote was taken in the Senate upon the bill, when General Jackson voted for it. When, therefore, he said, "We have been too long subject to the policy of British merchants," he, undoubtedly, intended to express his full concurrence in the recommendation of Mr. Monroe for "additional protection;" in other words, to convey the idea that we had not, up to that time, sufficiently protected our manufactures. The whole context of the letter shows that he distinctly favored such duties as discriminated in favor of protection, and that by the law of 1816 they had not been made sufficiently high for that purpose. This was the distinct purpose of his whole argument, which he based upon the express idea that it was our duty to develop our resources, and to place our manufacturers and laborers in fair competition with those of Europe, so that we might hold in our own hands the means of making ourselves permanently independent and of increasing our wealth;— in other words, become more Americanized, as he expressed it, and not Europeanized.

In consequence of the general concurrence of opinion among the candidates with reference to protection, it was not expected during the canvass that the election would have any special bearing upon it. And it did not, in con-

sequence of the general belief that, no matter which one of the candidates was elected, the protective principle would be maintained and carried to whatsoever extent the interests of the country, and the necessity for additional development of its natural resources, should require.

The election of Mr. Adams by the House of Representatives — after the failure to elect by the electoral college — gave rise to an exceedingly fierce and angry contest between the friends of General Jackson and the supporters of the former. But as this did not involve the policy of protection in any sense, Mr. Adams' administration was left, without opposition, to carry out the measures established under Mr. Monroe. The principle of protection by specific and discriminating duties was considered, on all hands, as permanently settled. The only question likely to arise was that involving the increase of duties as, from time to time, this might become necessary. All, or nearly all, were agreed that whensoever there should arise the necessity for an increase, it should be made. The purpose of Mr. Adams' administration, therefore, may be easily seen. Inasmuch as no necessity arose, for several years, for additional affirmative legislation, he withheld any special recommendations with regard to the tariff until near the close of his administration, and after the next Presidential election, when he was defeated by General Jackson. He, undoubtedly, considered himself so identified with the doctrine of protection, inasmuch as he had been a member of Mr. Monroe's cabinet, that he was not required to make any direct avowal of its support,

or any recommendations upon the subject, in his messages. The question of increasing duties involved only expediency, which it was peculiarly the province of Congress to decide. He did not, however, omit to express his approval of the system in general terms, so as not to be left in an equivocal position with reference to a matter of so much public interest. When, in his inaugural, he referred to the administration of Mr. Monroe in strong terms of commendation, he took occasion to enumerate the wholesome and beneficent measures of policy which it had promoted. Among them was the "equal protection of all the great interests of the nation," which was intended to include protection to manufactures and every other kind of industry; inasmuch as Mr. Monroe's administration had been specially conspicuous in recommending measures having that end in view.

In October, 1825, during the first year of Mr. Adams' administration, General Jackson was again brought forward as a candidate for the Presidency, by the Legislature of Tennessee. The purpose at that time, on the part of his friends, was to make what was called "bargain and corruption," between Mr. Adams and Mr. Clay, the leading feature of the contest. General Jackson having received a plurality, but not a majority, of the popular vote at the election in 1824, it was insisted that he was deprived of the Presidency by a combination between Mr. Adams and Mr. Clay,— to the effect that, in consideration that the vote of Kentucky should be cast for the former, upon the condition the latter should be made Secretary of State. The fact

that he was so made was interpreted as giving plausibility to the charge. Of course, such a controversy as this aroused a great deal of asperity, as from its nature it involved the impeachment of the personal integrity of both Mr. Adams and Mr. Clay—an impeachment which, now that the parties, along with the excitement of the contest, have all passed away, there are not many to believe. But violent as the controversy was, it did not, on that account, cause the omission to canvass questions purely political. The general anxiety on the subject of protection was so great, that it was impossible to keep that question out of view, and the discussion of it became more earnest as the election approached. By that time some of the politicians in the cotton-growing States, especially South Carolina, had indicated opposition to protection, which created apprehensions in other parts of the Union that it might, in the end, be endangered. These politicians made the British argument their own, that, as their cotton could find a market in England, where cotton fabrics could be obtained cheaper than in the United States, it was more to their interest to give their support to British than to American manufacturers. This attempt to subordinate a policy which had been always regarded as purely American, to English ideas and theory, somewhat startled the people of the United States, and especially those who had been accustomed to regard the protective system as permanently established, on account of its long continuance and the support it had received from so many eminent advocates, and from all previous administrations. It was

natural, under such circumstances, that the controversy should become an exciting one, and that somewhat of violent passion should attend it, especially among those who had supported the tariff of 1824. And this excitement was not in the least abated because of the fact that General Jackson and John Quincy Adams, who were the only candidates, were both the professed advocates of the same political principles, and belonged to the same political party.

CHAPTER XX.

ADAMS ASSAILED AS THE ENEMY OF PROTECTION—JACKSON SUPPORTED AS ITS FRIEND—CONTROVERSY ON THE SUBJECT—THE "UNITED STATES TELEGRAPH" URGES JACKSON'S ELECTION TO SAVE PROTECTION—CHARGES ADAMS, CLAY AND WEBSTER WITH A COMBINATION TO DESTROY IT—ALSO CHARGES ADAMS WITH OPPOSITION TO INTERNAL IMPROVEMENTS AND THE "AMERICAN SYSTEM"—DEFENDS JACKSON AS THE FRIEND OF THESE MEASURES—JACKSON COMMITTEE IN DISTRICT OF COLUMBIA—HIS FRIENDS IN PENNSYLVANIA—THEY DEFEND HIM AS A PROTECTIONIST.

THE omission of Mr. Adams, up to the Presidential contest of 1828, to recommend protection to manufactures, in direct and express terms, in either of his messages, subjected him to the charge of opposition to that doctrine. His general indorsement of the policy of Mr. Monroe's administration was not considered satisfactory upon a question which, from its nature, demanded open and unequivocal advocacy. And although his silence did not justify the impression, it was used, by his adversaries, as the basis of an argument that he could not be safely trusted, inasmuch as the subject did not admit of neutrality. Not only was he arraigned upon this ground, but it was also charged that Mr. Clay, his Secretary of State, was insincere in his professed friendship for protection; and this led to the general accusation that the administration of Mr. Adams could not be relied on to

support such a levy of duties as the manufacturing interests required.

Those who thus assailed Mr. Adams and his administration were the friends and supporters of General Jackson,—who, they insisted, had invariably shown himself to be an ardent and unfaltering friend of protection. They contrasted the course of the two candidates in terms very uncomplimentary to the former, who was accused of duplicity, while they insisted that the latter was frank and undisguised. Charges and counter-charges were made, with the asperity usual upon such occasions. But these are of no present moment, except so far as they have relation to the "tariff question," which then absorbed more attention than any other except that of "bargain and corruption."

Some members of Congress who were laboring to secure an increase of duties upon wool and woolen goods, and who were the supporters of Mr. Adams, sent out circulars from Washington City, wherein it was charged that the Speaker of the House of Representatives, who was elected as a friend of General Jackson, had appointed a majority of anti-tariff men upon the Committee of Manufactures, and that they had so prepared the bill then pending as to secure the votes of certain free-trade representatives from the South, and thereby to endanger its passage in a satisfactory form. The charge, substantially, was to the effect that the supporters of General Jackson were insincere in their professions of friendship for the principle of protection, and were willing to combine with the advocates of

free trade, in order to secure General Jackson's election, even if it resulted in the rejection of the proposition for increased duties. In other words, it was an attempt to place General Jackson in the attitude of being an opponent of the protection of manufactures, whilst it was insisted that Mr. Adams was its friend. The issue was made with such emphasis as is common under like circumstances.

The *United States Telegraph* was, at that time, published in Washington City, under the editorial management of General Duff Green, who was a prominent figure in the politics of this country for many years. Extra numbers of this publication, "devoted exclusively to the Presidential election," were regularly issued in pamphlet form, advocating, with intense earnestness, the election of General Jackson. In one of these, for April 19, 1828, the foregoing charge was answered in detail, and the "war carried into Africa"—according to the avowal—by counter-charges against Mr. Adams and his supporters. Each party accused the other of opposition to protection and manufactures; and thus the issue which had to be tried at the election was made up that early in the canvass.

Mr. Adams, Mr. Clay and Mr. Webster were charged with having formed a combination "to defeat the tariff," even if it had to be accomplished by free-trade votes, in order to elect Mr. Adams to the Presidency. It was alleged that they were endeavoring to bring about this result "by inducing the people to believe that Mr. Adams is, and that General Jackson is not, the friend of American manufactures." And it was considered sufficient ground to

charge Mr. Adams with being the enemy of manufactures to ask, "Why did he not recommend their protection in his messages to Congress?" But the following covers so thoroughly the whole ground of this controversy, that it is now given in the conspicuous form, and with the capitals and italics as they appear in the original, and which were manifestly employed to command attention, and give prominence to the accusation. The matter was thus stated:

"PRESIDENT ADAMS.

"*Article* II.— Section I.— Clause VIII. of the Constitution of the United States declares that the President shall *swear* or *affirm* that he will 'faithfully execute the office of President of the United States.'

"*Article* II.— Section III.— Enjoins upon the President to 'recommend to the consideration of Congress such measures as he shall judge necessary and expedient.'

"Mr. Adams in his last message does *not recommend* a revision of the Tariff:—he does *not recommend* any measure for the encouragement of DOMESTIC MANUFACTURES:— he does *not recommend* any measure for the encouragement of WOOL-GROWERS:— he does *not recommend* the AMERICAN SYSTEM:— he does *not* say one word on the subject of the Tariff — or domestic manufactures — or wool — or the AMERICAN SYSTEM.

"THE CASE stands thus:— Mr. Adams under the obligation of an oath, to 'recommend to the consideration of Congress such measures as he shall judge necessary and expedient,'— does *not* recommend the American System — a tariff — the encouragement of domestic manufactures, or the growth of wool.

"ON HIS OATH, then, he does *not* consider the encouragement of domestic manufactures — wool — a tariff — or the American System 'necessary and expedient.'

"THE FRIENDS of General Jackson, far from charging Mr. Adams with the *heinous crime* of *violating his oath*, are perfectly willing that entire credit be given, for the utmost *sincerity;* and only complain, that certain *designing* politicians, have *craftily* imposed upon a number of patriotic and honest citizens, and induce

them to believe, that he is in favor of what, *on his oath*, he DISAVOWS.

"DOUBT on this subject can no longer exist. Every man can now, *wide-awake*, take his side.

"*General Jackson* has repeatedly and publickly — *in Congress by his votes* — and out of Congress as a *citizen*, manifested his friendship for the American System; *Mr. Adams* — NEVER: — but in the public discharge of an imperious and all-important duty, Mr. Adams, in effect, proclaims to the whole nation that he does NOT consider the American System 'necessary and expedient.'"

Immediately following this the editor proceeds to say:

"General Jackson is in favor of a tariff that shall promote the prosperity of the whole nation, and has so declared by his votes in Congress. Mr. Adams has never committed himself on the subject, and we defy any of his adherents to produce a single sentence from any public document offered by him, which contains a distinct and specific declaration in favor of the manufacturing interest."

It is then declared that "the Southern people are opposed to all tariffs for any other purpose than revenue, under the impression that, any duties beyond what are necessary to this object would operate as a tax upon their necessaries and comforts, to the exclusive benefits of the Northern manufacturers;"— that "the people of the Middle and Western States are in favor of a tariff that shall protect their agriculture and manufactures, and are therefore opposed to the *free-trade* system of the South;"— and that the people of the North are divided in opinion accordingly as they are engaged in commerce, navigation, or manufactures. And, having laid the foundation of an attack upon Mr. Clay as well as Mr. Adams, it is said:

"Under such a state of facts, we would advise all who are desirous of promoting the prosperity of the country, to be awake, and

fall into no traps baited by Mr. Clay. He no more regards the manufacturing interest of this country than of China. All he says about the American System is miserable cant, intended to deceive the honest and purchase the venal."

And, then, to bring the matter to the customary partisan climax, it is insinuated against Mr. Clay that, on account of the insincerity of his professions of friendship for protection, he should be treated as a "political prostitute who would sell his country for an office!"

Mr. Clay defended himself against the charges then industriously circulated against him. But it does not enter into our present inquiries to state in what manner he did it, except to say that it was done with eloquence and power, not often equaled and never surpassed. One of his addresses made by him met the objections made against Mr. Adams and himself with so much manly vigor as to attract universal attention. It called forth a special "reply by the Jackson Corresponding Committee of the District of Columbia," which was of sufficient length to require several numbers of the extra *Telegraph* for its publication. It is a justifiable inference that this was prepared under the special supervision of the friends of General Jackson in Congress, as it is not to be supposed that so important a document would otherwise have been issued. Its whole character is indicated by the following extract:

"Mr. Trimble, and others of Mr. Clay's witnesses, as well as Mr. Clay himself, now pretend to have voted for Mr. Adams on account of his known attachment to the Tariff and Internal Improvements, and against General Jackson on account of his hostility to those interests.

"*A more shallow artifice was never invented.* Never to this day has Mr. Adams avowed himself in favor of Internal Improvements on the principles maintained by Mr. Clay. On the contrary, in a letter to a gentleman in Maryland, in 1824, he declared himself in favor of making roads and canals, *with the consent of the States*, and a *reservation of their territorial jurisdiction.* Nor has he ever, to this day, in any manner or form, *avowed himself in favor of a Tariff.* Although his own supporters, out of Congress, have been loud in demanding an increase of duty on certain imports as necessary to save our manufactories from ruin, *he has never recommended any such measure in any one of his messages.* On the other hand, at the very moment Mr. Trimble says he made up his mind to vote for Mr. Adams on account of his devotion to these interests, the Tariff of 1824 was before Congress, of which General Jackson was a member. *In every step of the progress of this bill before the Senate he voted for it*, and it is believed that, *without his aid, it would not have passed.* He also *voted in favor of every measure of Internal Improvement which was presented* while he was a member of the Senate. That any person voted for Mr. Adams because he was known to be more devoted to these interests than General Jackson, is, therefore, wholly untrue. The tale was invented to operate on the Middle and Western States, with the object of bringing them, by an artful and deceptious appeal to their interests, into the support of a wicked coalition. But it has been found impossible to persuade the people out of that which they know — to make them believe that General Jackson, *who voted for these measures*, is their enemy, or that he will neglect any interest of that country which he has hazarded his life and fortune to defend."

When it is considered that the matters here treated of, and the principles involved in them, are not such as vary according to the shifting events of the day, but that they always have involved — and yet do — the same modes of constitutional interpretation, the same estimate of the relations between the national Government and the States, and the protection and preservation of the same common interests of the country,— these words sound somewhat

strangely in modern ears. Nevertheless, they instruct those who do not remember the Presidential contest of 1828, with regard to the principles upon which it turned.

The Chairman of the Committee by whom this "reply" was prepared, and under whose immediate auspices it was issued, was General John P. Van Ness, who was, at one time, a member of Congress — was the confidential friend of Mr. Jefferson, Mr. Madison, Mr. Monroe, and General Jackson — and who was subsequently made Minister to Spain by the latter, after his election to the Presidency. The document, therefore, from which the above extract is taken, had something more than ordinary significance attached to it, and was undoubtedly intended, at the time it was issued, to state fully and fairly the issue involved in the Presidential contest of 1828. For that purpose alone is it now referred to. But there is other important evidence to the same effect.

The question of a tariff for protection then assumed — as it always has done — so much importance in Pennsylvania, as to require that there should be no misunderstanding about the opinions of the Presidential candidates with regard to it. It was well understood that no man opposed to protection could obtain the vote of that State. Consequently, it became necessary that the supporters of General Jackson should explain, distinctly and undisguisedly, what his position was, and what the protectionists of that State might expect, in the event of his election. This was undertaken by a committee organized in Philadelphia, by a State Convention of his supporters. Mr. William J.

Duane, afterwards Secretary of the Treasury under General Jackson, was placed upon this committee, on account, it may be supposed, of his eminent character and ability. In a published and extensively circulated letter addressed by the committee to prominent friends of Mr. Adams, the charge made against him in the Washington City *Telegraph* is repeated — that he "violated his duty" as President, in not recommending the *American System* to Congress. And to show the contrast between him and General Jackson, they say:

"No such dilemma exists in the case of General Jackson. When he came to act upon his oath, *he did not shun the question as Mr. Adams did.* The father of the tariff of 1824, Mr. Henry Baldwin, thus speaks on this subject:

"'We support as our candidate the man [General Jackson] who, in every emergency, risked his life for his country, and who, disregarding all considerations of local popularity, took his stand in the South, *in favor of the American System*, and with the same firmness with which he had often foiled our enemies, boldly announced *his devotion to its principles.* In *him* there is no *mystery*, no diplomacy; every one can understand his meaning — *these* are the words of General Jackson. . . .'

"'Heaven smiled upon, and gave us *liberty* and *independence.* The same Providence has blessed us with *the means of national independence and national defense.* If we omit or refuse to use the gifts which *He* has extended to us, we deserve not the continuance of *His* blessings. He has filled our mountains and our plains with minerals — with *lead, iron, and copper* — and given us climate and soil for the *growing of hemp and wool.* These being the grand materials for our national defense, *they ought to have extended to them adequate and fair protection*, that our own manufacturers and laborers may be placed on a fair competition with those of Europe, and that we may have, *within our country*, a supply of those leading and important articles, so essential in war.'" *

From these facts it will be seen how important the Presidential election of 1828 was considered at the time. It occurred, in fact, at a period when, in so far as measures

* Extract from General Jackson's letter to Dr. Coleman. See *ante*, chap. xix. p. 182.

of domestic policy were concerned, its importance could not well be overestimated. The men of the Revolutionary period were passing away, and new men were taking the places they left vacant; — the management of public affairs was already in the hands of a new generation. Of the Presidents, Washington, Adams and Jefferson were dead; Madison and Monroe were in retirement; and John Quincy Adams, then President, was at the head of an administration which was arraigned with a degree of violence to which neither of the two immediately preceding administrations had been subjected. The condition of affairs, therefore, involved the introduction of new elements of warfare, along with new men, into the politics of the country, and rendered the closest scrutiny not a duty merely, but a necessity. It was a period from which the impartial student of American history cannot fail to derive valuable instruction and much wisdom.

We have seen the importance attached to a protective tariff, and that it constituted, in reality, the leading political issue between the supporters of Mr. Adams and those of General Jackson. Like all other similar contests, when sufficiently violent to arouse the spirit of party, it involved matters not merely pertaining immediately to that particular measure, but some that were collateral to it, yet bearing indirectly upon it. The fact that Mr. Calhoun, of South Carolina, was a candidate for the Vice-Presidency on the same ticket with General Jackson, was one of these, and gave rise to much of the acrimony introduced into the canvass. Nobody objected to Mr. Calhoun on the ground

of the want of fitness or qualifications, for, on all hands, he was regarded as one of the ablest and purest of our public men. But, notwithstanding he had voted for, and was the special champion of, the protective tariff of 1816, he had, by this time, shown some indications of a leaning toward free trade,—at all events, the only advocates of free trade in the country were his supporters. Among them in South Carolina there had already been open demonstrations to that effect, under the lead of Mr. McDuffie and a few others equally excitable, who had gone so far as to threaten a dissolution of the Union unless the powers of the national Government, exercised in passing laws for the protection of manufactures, were, in some way, curtailed. Inasmuch as those who made this threat were the supporters of General Jackson and of Mr. Calhoun, on the same ticket, the friends of Mr. Adams found in that fact a reason for charging that the election of the former to the Presidency, by means of this free-trade influence, would seriously imperil the policy of protection, because it would place the friends of free trade in a position to assail it with the hope of ultimate success.

The accusation against General Jackson personally was carried somewhat beyond this, in the charge that he had shown himself opposed to the administration of Washington. As the policy of protection was one of the prominent measures of that administration, it was argued that he could not then be relied upon as its friend, after having united with those who had refused to express confidence in it. This accusation had for its basis the follow-

ing facts: General Jackson was a member of the House of Representatives from Tennessee during the 4th Congress, 1796–97, at the close of which Washington's administration expired. Before his retirement, however, the form of an address complimentary to him was pending for adoption in the House, which gave rise to some debate. It contained, among many other things, an expression of the wish, on the part of the House, that the wise example of Washington might be the guide of his successors in the Presidency. Opposition was made, especially to this feature of the address, by Mr. William B. Giles of Virginia, who displayed his hostility to Washington's administration by declaring that he did not consider it to have been wise, and a motion was made to strike out that portion of it. General Jackson voted with Mr. Giles and twenty-two others in favor of this proposition, but it was retained by a majority of more than two to one in favor of it. When the final vote was taken upon the adoption of the address as a whole, he also voted, with only eleven others, against it. On this account the friends of Mr. Adams insisted that the opposition of General Jackson to the administration of Washington — during which protection was first established — was sufficient ground to justify the fear that, if elected by the aid of free-trade votes, he would lend the influence of his administration against protection. The argument to this effect became the more earnest because of the fact that Mr. Calhoun was associated on the same ticket with him, which brought to the support of the ticket those in South Carolina who had

already threatened the Union on account of protection. The friends of protection earnestly opposed everything which, even by implication, could endanger the existence and perpetuation of the established system.

This accounts for the active efforts made by the friends of General Jackson to show that he had voted for and supported protection, internal improvements, and the American System, and that Mr. Adams had not done so, and for their earnestness in insisting that his election and the defeat of Mr. Adams was absolutely necessary to give perpetuity to these great measures and the principles underlying them. As to the threat of Mr. McDuffie and other agitators of South Carolina to dissolve the Union on account of protection, it cut no special figure, for the reason that nobody suspected General Jackson of having any sympathy whatsoever with such a purpose. The consideration given to it was not of consequence enough to attract general notice. The venerable James Ritchie, of the Richmond *Enquirer*, regarded himself as "quizzing" his Virginia readers by seriously replying to it.

CHAPTER XXI.

PROTECTION IN THE WEST — SENATE OF INDIANA CALL UPON JACKSON FOR HIS VIEWS — HIS REPLY TO THE GOVERNOR, STRONGLY INDORSING PROTECTION — THAT WAS THE LEADING ISSUE IN THE ELECTION — JACKSON ELECTED UPON IT — ADAMS DEFENDS IT IN HIS LAST MESSAGE.

THE cause of protection did not receive its only earnest defense in the States east of the Allegany mountains, during the Presidential contest of 1828. It had warm supporters in the West also — especially in Indiana. This State became a member of the Union during the year that the tariff law of 1816 was passed, and had approved all the subsequent measures looking to protection. Although the population was then sparse, and much of the finest land was occupied by the aboriginal inhabitants, their intelligence enabled them to foresee that no portion of the territory of the United States, of the same number of square miles, could be made susceptible of a higher material development, with the aid of those measures of Government policy which had proved beneficial to the older States. The early emigrants were from all parts of the Union — mainly from States outside of New England — and had brought with them such political opinions as were formed under the influence of the measures of national policy then existing. There were very few opposed to protection,— not enough to create even a ripple upon the

surface of public opinion. This unanimity of sentiment caused the Presidential contest to partake somewhat of the same character as that in Pennsylvania and other strongly "tariff" States. The same charges and countercharges, as elsewhere, were made by the friends of Mr. Adams and General Jackson — all centering in the inquiry, Which of the two could be most safely relied upon as the friend of protection? The friends of General Jackson were not fully satisfied with what had been done and said elsewhere; and being protectionists themselves, and fully assured of his fidelity to that cause, they caused a resolution to be introduced into the Senate of Indiana, and passed, requesting from General Jackson himself a full explanation of his views and opinions, to be communicated through the Governor of the State. This resolution having reached General Jackson, he responded to it as follows:

"HERMITAGE, February 28, 1828.

"SIR:—I have had the honor to receive your Excellency's letter of the 30th ultimo, enclosing resolutions of the Senate of Indiana, adopted, as it appears, with a view of ascertaining my opinions on certain political topics. The respect which I entertain for the Executive and Senate of your State excludes from my mind the idea that an unfriendly disposition dictated the interrogatories which are proposed. But I will confess my regret at being forced by this sentiment to depart, in the smallest degree, from that determination on which I have always acted. Not, sir, that I would wish to conceal my opinions from the people upon any political or national subjects; but as they were, in various ways, promulgated in 1824, I am apprehensive that my appearance before the public, at this time, may be attributed, as has already been the case, to improper motives.

"With these remarks, I pray you, sir, respectfully, to state to the Senate of Indiana, that my opinions, *at present, are precisely what they*

were in 1823 and 1824, when they were communicated by letter to Doctor Coleman, of North Carolina, and when I voted for the present tariff and appropriations for internal improvements. As that letter was written at a time when the divisions of sentiment, on this subject, were as strongly marked as they now are, in relation both to the *expediency* and *constitutionality* of the system, it is enclosed herein; and I beg the favor of your Excellency to consider it *a part of this communication.** The occasion, out of which it arose, was embraced with a hope of preventing any doubt, misconstruction, or necessity for further inquiry respecting my opinions on the subject to which you refer; particularly in those States which you have designated as cherishing a policy at variance with your own. To preserve our invaluable Constitution, and be prepared to repel the invasion of a foreign foe, by the practice of economy, and the cultivation, within ourselves, of the means of national defense and independence, should be, it seems to me, the leading object of any system which aspires to the name of 'American,' and of every prudent administration of our Government.

"I trust, sir, that these general views, taken *in connection with the letter enclosed, and the votes referred to,* will be received as a sufficient answer to the inquiries suggested by the resolutions of the Senate. I will further observe to your Excellency, that *my views of constitutional power and American policy were imbibed, in no small degree, in the times and from the sages of the Revolution, and that my experience has not disposed me to forget their lessons;* and, in conclusion, I will repeat that *my opinions remain as they existed in 1823 and 1824,* uninfluenced by the hopes of personal aggrandizement, and I am sure they will never deprive me of the proud satisfaction of *having always been a sincere and consistent Republican.*

"I have the honor to be, very respectfully,

"Your most obedient servant,

"ANDREW JACKSON.

"His Excellency,

"JAMES B. RAY,

"*Governor of Indiana.*"

It does not require much reflection to perceive the full purport and meaning of this letter. The language is so

* For this letter, see *ante*, chap. xix., p. 182.

plain and expressive as not to allow of misconstruction. General Jackson undoubtedly meant what he said — nothing more, nothing less — and it would be an unjust aspersion upon his name and memory to say or even to insinuate the contrary. It was the only letter written by him during the Presidential campaign, and was, manifestly, intended to be exhaustive upon the subjects of which it treated. Therefore, he sent along with it his letter to Dr. Coleman, written four years before, so that his opinions should be fully and perfectly understood. The two letters were, as he specially requested, to be taken as one for that purpose. In this way it was, undoubtedly, his purpose to maintain, affirmatively, every principle involved in the protective system, whether it had reference to expediency or constitutionality. And the two letters, taken together, do unequivocally maintain the following propositions: (1) That we, in this country, possess all the elements of material wealth, as gifts of nature, and it is our duty to develop them by our own industry and for our own uses; (2) That if we do not do so, we do not deserve a continuance of Divine protection; (3) That this development is absolutely necessary to our national independence and defense; (4) That protection by the national Government is essential to it; (5) That this protection should be extended to our manufacturers and laborers, so that thereby they "may be placed in a fair competition with those of Europe;" (6) That this protection is necessary in order to secure to us the "leading and important articles so essential in war;" (7) That we have no reliable foreign market for any of our

products except cotton: (8) That there was, at that time, "too much labor employed in agriculture;" (9) That by reducing the amount of agricultural labor we create a home market for our surplus breadstuffs; (10) That "we have been too long subject to the policy of British merchants;" (11) That we should become "*Americanized*, and instead of feeding paupers and laborers of Europe, feed our own;" (12) That if we do not, "we shall all be rendered paupers ourselves;" (13) That, for these purposes, we must have careful and judicious protection to manufacturers and laborers; (14) That, in order to secure all these benefits, he voted for the protective tariff of 1824, and also for appropriations for internal improvements; (15) That these measures are both expedient and constitutional; (16) That his "views of constitutional power and American policy" were imbibed "from the sages of the Revolution," and have been confirmed by experience.

As these were the only opinions publicly announced by General Jackson during the Presidential contest of 1828, it must be accepted as a fact that he and his friends considered the question of the tariff — that is, of protection — as presenting the most material and important issue; otherwise, he would not have departed from the rule he had laid down for himself, and would have left the letter from the Governor of Indiana unanswered. Having decided to answer it, however, he dealt fairly and truthfully with the public, and stated the foregoing convictions upon his mind so plainly and frankly that they could not be misunderstood. And they were not misunderstood, for

they were specially the subject of public inquiry in all parts of the country. This was unavoidable, for the reason that the claims of each candidate — Mr. Adams and General Jackson — were, by their respective supporters, put upon the express ground of his being the undeviating friend of protection. The main question was one of rivalry between them; that is, which of the two could be most safely relied on as the friend of that measure?

And when it is considered that out of a total popular vote of 1,156,328, General Jackson received a majority of 138,134 votes, and that nearly, if not entirely, all the votes given to Mr. Adams were in favor of protection, the inference is entirely justified that, at that time, the American people were almost unanimous in favor of protection to manufactures, as essential to the development of agriculture, commerce, and navigation. The electoral vote of South Carolina — which was cast by the Legislature and not by the people — was not withheld from General Jackson, although, as already stated, efforts were made to build up a free-trade party in that State. But this is accounted for by the fact that Mr. Calhoun was elected Vice-President on the same ticket with General Jackson, and by the additional fact that he had not yet fully identified himself with the free-trade movement, although, to some extent, acquiescing in it. In whatsoever way the election may be viewed, the success of General Jackson was a triumph for the principle of protection,— an affirmance by the people of that mode of interpreting the Constitution, which gives the power to Congress to lay specific duties discriminating

in favor of manufactures, to appropriate money for internal improvements, when deemed expedient, and to maintain the "American System."

Mr. Adams must have so regarded it, for, in his last message, in December, 1828,— after the election — he was most explicit in favor of protection,— far more so than he had previously been. He said:

"The great interests of an agricultural, commercial, and manufacturing nation are so linked in union together, that no permanent cause of prosperity to one of them can operate without extending its influence to the others. *All these interests are alike under the protecting power of the legislative authority*, and the duties of the representative bodies are to conciliate them in harmony together."

Counseling equality in the imposition of the burdens of taxation, he then proceeded to point out the illiberality and unfairness of Great Britain toward this country, with reference to all our products not needed by her own manufactures, and said:

"Is the self-protecting energy of this nation so helpless that there exists in the institutions of our country no power to counteract the bias of this foreign legislation? that the growers of grain must submit to this exclusion from the foreign markets of their produce? that the shipper must dismantle their ships, the trade of the North stagnate at the wharves, and the manufacturers starve at their looms, while the whole people shall pay tribute to foreign industry, to be clad in foreign garb? that the Congress of the Union are impotent to restore the balance in favor of native industry, destroyed by the statutes of another realm? More just and more generous sentiments will, I trust, prevail."

Not to be misunderstood with regard to the complaints which some of the growers of cotton were then beginning to make against the principle of protection, and the charge

that it operated unequally upon their section of the Union, he said, speaking of the existing tariff law:

"Its object was to balance the burdens upon native industry imposed by the operation of foreign laws; but not to aggravate the burdens of one section of the Union by the relief afforded to another. To the great principle sanctioned by that act [that of 1828] one of those upon which the Constitution itself was formed, I hope and trust the authorities of the Union will adhere. But if any of the duties imposed by the act only relieve the manufacturer by aggravating the burden of the planter, let a careful revisal of its provisions, enlightened by the practical experience of its effects, be directed to *retain those which impart protection to native industry*, and remove or supply the place of those which only alleviate one great national interest by the depression of another."

Here Mr. Adams was explicit in defense of the principle of protection, but very properly invoked the spirit of compromise in applying it, so as to avoid any conflict of interest between the sections. But as the election had passed and he had been defeated by General Jackson, these avowals in his last message become important only as showing that, up to that time, the opinions of all the Presidents had concurred in favor of protection. What would have been the effect upon the Presidential contest of 1828, if he had expressed himself thus fully and clearly before instead of after it transpired, is an inquiry more easily suggested than answered. Such an inquiry, however, is not within the scope of our present investigations, any more than those which invoke the antagonisms of party.

CHAPTER XXII.

PRESIDENTIAL ELECTION OF 1828 INDORSED PROTECTION—DEFENDED IN CONGRESS BY JACKSON'S SUPPORTERS—ALSO BY JACKSON IN HIS INAUGURAL, AND IN HIS FIRST MESSAGE—MANUFACTURES INCREASE PRICE OF AGRICULTURAL PRODUCTIONS—THEY CREATE HOME MARKETS—JACKSON FAVORED DISCRIMINATING AND NOT HORIZONTAL DUTIES—NECESSARY TO CREATE COMPETITION.

NOT only did the necessities of the country require, but the almost universal public sentiment justified, the increase of duties by the tariff of 1828, over those fixed by that of 1824. The latter, under Mr. Monroe's administration, had been so framed expressly as to give "additional protection"—beyond that given by any of the laws previously passed—and by 1828 the necessity for another advance step was so palpable that, as we have seen, the Presidential election was decided mainly with reference to it. Besides what has already been stated upon this point, there is abundant evidence to show that the friends of General Jackson in Congress exhibited as honest a determination as he did himself, to prove to the country that they did not seek his election except upon the distinct ground that he and they were resolved that all the departments of American industry should be afforded a proper degree of national protection.

When a motion was made in the Senate, by Mr. Kane, of Illinois, to "lay a duty on lead in pigs, bars, or sheets

of three cents per pound; on lead shot, four cents per pound; on litharge and lead, manufactured into pipes, five cents per pound"—all for the purpose of protecting the manufacturers of lead—Mr. Thomas H. Benton, of Missouri, said:

"He was a member of the Senate in 1824, when the (then) existing tariff was enacted, and was in favor of a higher duty upon lead and its manufactures at that time, but was prevented from making any motion to that effect, by the admonition, often repeated, that the whole bill might be lost if alterations were attempted."

Mr. Benton supported the proposition of Mr. Kane, upon the ground that it would be beneficial to the lead regions of Missouri and Illinois, and said also that he "considered lead as one of the articles of domestic production on which *the system of protecting duties might legitimately be carried to the prohibitory point against its foreign rival.*"

While the bill was pending in the Senate, Colonel Richard M. Johnson, of Kentucky, said:

"The State of Kentucky has been much agitated, but not much divided, upon the 'American System.' It is with us a favorite system."

Again:

"Why shall we of the interior be left to grapple with *foreign competition* in all the productions of our farmers and manufacturers, who constitute the body and soul of our population, while the woolens and cottons of the East are effectually protected, and, in a great degree, at the expense of the West?"

Again:

"I have always been one among the Western members to elevate New England above *foreign competition* in the manufacture of

hats, shoes, ready-made clothing, woolens, and cottons. In this I have obeyed the will of my constituents."

And again:

"If gentlemen will do me the favor to examine the journal of 1824, when the former tariff bill was pending, they will find my name among the supporters of the measures for the protection of domestic cottons and woolens."

Mr. Benton moved "to impose a duty of twenty-five cents per pound on imported indigo, with a progressive increase at the rate of twenty-five cents per pound per annum until the whole duty amounted to one dollar per pound." And in support of the motion he declared his "object to be two-fold in proposing this duty: first, *to place the American System beyond the reach of its enemies*, by procuring a *home supply* of an article indispensable to its existence; and, next, to benefit the South by reviving the cultivation of one of its ancient and valuable staples."

During a discussion of the bill in the House of Representatives, Mr. James Buchanan, of Pennsylvania, said:

"For my own part, I am a sincere friend of the tariff, and have no doubt that the manufacture of woolens requires *additional protection*. The great question is, in what degree? We must know the extent of the evil before we can proportion the remedy to it. Upon this subject my principles have never changed. I have ever been in favor of affording such *protection to our domestic manufactures* as will enable them to enter into fair and successful competition with foreign manufactures in our domestic market."

At another time, when referring to the duty on woolens, Mr. Buchanan also said:

"Let us, then, tread in the plain path of our predecessors. The duty is now 33⅓ per cent *ad valorem*. *Let us raise it so much as to*

afford a fair protection to the woolen manufacturers. The people will then understand what we are doing. This has ever been my opinion."

Besides the gentlemen whose opinions are here quoted, the bill was supported and voted for by Mr. Martin Van Buren and Mr. Silas Wright, of New York. It need not be stated, for the benefit of any familiar with our political history, that, among all the distinguished supporters of General Jackson for the Presidency in 1828, none deserved more to be so considered than those whose opinions and votes are now given. The bill defended and supported by them, as his special and ablest friends, was pending in Congress when he wrote his letter to the Governor of Indiana, during the canvass, and what they said and did would be merely cumulative proof of his own purposes, which he distinctly avowed for himself. Therefore, in view of all the facts pertaining to the canvass, the conclusion is unavoidable that General Jackson became President under the emphatic pledge that he was the friend of the system of protection, as embodied in the law of 1828, and all previous tariff laws; and that he occupied the same position with reference to it as Washington, Adams, Jefferson, Madison, and Monroe,— to say nothing of John Quincy Adams. The line of the Presidential supporters of protection was, consequently, up to that time, unbroken.

General Jackson was inaugurated as President, March 4, 1829, and in his inaugural address, then said:

"With regard to a proper selection of the subjects of impost, with a view to revenue, it would seem to me that the spirit of equity, caution and compromise, in which the Constitution was formed,

requires that the great interests of *agriculture, commerce, and manufactures* should be *equally favored;* and that perhaps the only exception to this rule should consist in the *peculiar encouragement* of any of the products of either of them that may be found essential to our national independence."

Interpreted in the light of his own previous pledges, and of the course of his friends and supporters, this was accepted as a promise that, during his administration, there would be no departure from the policy of protection, or from the course pursued by his Presidential predecessors. By placing agriculture, commerce and manufactures upon a common footing of equality, to be "equally favored," because their industrial interests were inseparably united, he was understood to put himself squarely upon the ground where the protective policy had always rested. He encountered no opposition, therefore, upon that ground, except that which was beginning to exhibit itself in the South, among those who had supported him for the Presidency, mainly, as some supposed, because the Vice-Presidency was secured to Mr. Calhoun. Whatsoever opposition to him was exhibited in the North and West had reference to other matters not proper to be discussed here.

In his first message, delivered in December, 1829, he expressed himself at some length with reference to the tariff, and it is deemed necessary to give his precise words, that his views may be fully understood. He said:

"No very considerable change has occurred during the recess of Congress in the condition of either our agriculture, commerce, or manufactures. The operation of the tariff has not proved so

injurious to the two former, or as beneficial to the latter, as was anticipated. Importations of foreign goods have not been sensibly diminished, while domestic competition, under an illusive excitement, has increased the production much beyond the demand for home consumption. The consequences have been low prices, temporary embarrassment, and partial loss. That such of our manufacturing establishments as are based upon capital, and are prudently managed, will survive the shock, and be ultimately profitable, there is no good reason to doubt.

"To regulate its conduct, so as to promote *equally* the prosperity of *these three cardinal interests*, is one of the most difficult tasks of government; and it may be regretted that the complicated restrictions which now embarrass the intercourse of nations, could not by common consent be abolished, and commerce allowed to flow in those channels to which individual enterprise, always its surest guide, might direct it. *But we must ever expect selfish legislation in other nations;* and are therefore *compelled to adapt our own to their regulations*, in the manner best calculated to avoid serious injury and to harmonize the conflicting interests of our agriculture, our commerce, and our manufactures. Under these impressions, I invite your attention to the existing tariff, believing that some of its provisions require modification.

"The general rule to be applied in graduating the duties upon articles of foreign growth or manufacture, is that which will *place our own in fair competition with those of other countries;* and the inducements to advance *even a step beyond this point* are controlling in regard to those articles which are of primary necessity in time of war. When we reflect upon the difficulty and delicacy of this operation, it is important that it should never be attempted but with the utmost caution. Frequent legislation in regard to any branch of industry, affecting its value, and by which its capital may be transferred to new channels, must always be productive of hazardous speculation and loss.

"In deliberating, therefore, on these interesting subjects, local feelings and prejudices should be merged in the patriotic determination to promote the great interests of the whole. All attempts to connect them with the party conflicts of the day are necessarily injurious, and should be discountenanced. Our action upon them should be under the control of higher and purer motives. Legis-

lation, subjected to such influences, can never be just, and will not long retain the sanction of a people whose active patriotism is not bounded by sectional limits, nor insensible to that spirit of concession and forbearance which gave life to our political compact, and still sustains it. Discarding all calculations of political ascendancy, the North, the South, the East, and the West should unite in diminishing any burden of which either may justly complain.

"The agricultural interest of our country is so connected with every other, and so superior in importance to them all, that it is scarcely necessary to invite to it your special attention. It is principally *as manufactures and commerce tend to increase the value of agricultural productions, and to extend their application to the wants and comforts of society, that they deserve the fostering care of government.*

"Looking forward to the period, not far distant, when a sinking fund will no longer be required, the duties on those articles of importation which *cannot come in competition with our own productions*, are the first that should engage the attention of Congress in the modification of the tariff. Of these, tea and coffee are the most prominent; they enter largely into the consumption of the country, and have become articles of necessity to all classes. A reduction, therefore, of the existing duties will be felt as a common benefit; but like all other legislation connected with commerce, to be efficacious, and not injurious, it should be gradual and certain."

By a careful reading of the foregoing, any man of ordinary intelligence can perceive the course of policy General Jackson had then marked out for his administration; and also that it was consistent with his vote for the tariff of 1824, with his letters to Dr. Coleman and to the Governor of Indiana, and with the pledges and avowals of his leading and most influential friends during the Presidential canvass. Realizing, as he did, that the tariff of 1828 had not produced the injurious results predicted by the advocates of free trade, and that it had been less beneficial to the manufacturers than they had anticipated, it was apparent to him that our home markets were insufficient

for the sale of our own manufactured goods, because of the undiminished supply of foreign manufactures, and that, consequently, our manufacturers had been subjected to injurious losses. The remedy for this condition of things was, in his opinion, such a modification of the tariff as would enable our manufacturers to compete more successfully with those of foreign countries, by the increase of home markets, inasmuch as their goods were shut out, in a great measure, from foreign markets. It did not occur to him — as it has since then occurred to some modern politicians — that the Government should withdraw its protection from manufactures; or that the whole of our labor should be applied to agriculture, because of the superior importance of that pursuit, as the basis of our prosperity; or that we should buy the fabrics necessary for our consumption from foreign manufacturers, merely because they were offered cheaper than our own; or that we should leave our markets subject to such fluctuations and uncertainties as might be occasioned by the policy of other governments. On the contrary, he recognized agriculture, commerce, and manufactures as the "three cardinal interests" which demanded the fostering care of the Government,— each *equally* with the other. And whilst, if all the other nations had adopted the policy of free trade, we might, in his opinion, safely follow their example, yet, as they had not, it was our duty to maintain the principle of protection.

He did not hesitate to recommend the adoption of a "general rule to be applied in graduating the duties upon

articles of foreign growth or manufacture." The problem to be solved he considered a difficult one, but the first step toward its solution was, in his opinion, the graduation of the duties. He had no such idea as that the duties should be the same upon all articles, or, in other words, according to a horizontal scale. This, as he could readily see, tended toward free trade, and as it would apply to all importations, would leave the duties upon necessaries consumed by those who subsisted by wages, the same as those upon luxuries consumed by the wealthy. Therefore, his "general rule" consisted "in graduating the duties upon articles of foreign growth and manufacture;" that is, in proportioning or adjusting them so as to "place our own [manufacturers] in fair competition with those of other countries." This could only be done by discriminating against foreign manufactures and in favor of our own, by means of specific duties laid accordingly as each article of "foreign growth or manufacture" should interfere with any of our home industries. He would even have us go beyond this point of mere protection, where the articles imported were such as we would require in a state of war. Although he did not, in so many words, recommend it, he manifestly meant that, as to all such articles, it was our duty to go to the extent of *prohibition*, for the reason that we should not depend for our war material upon any foreign country.

Upon no point is he more clear and explicit than that which assigns the reason he entertained why duties should discriminate in favor of manufactures. It is simply and

plainly this: That they "*tend to increase the value of agricultural productions*" by creating a demand and home market for them, and by adapting their products to "the wants and comforts of society," and thereby supply the public with what they need for consumption. And it is because of this mutuality of interest between agriculture and manufactures that, in his opinion, the latter "deserve the fostering care of government."

The administration of General Jackson commenced, therefore, as distinctively in favor of protection as any preceding it; and with the recommendation on his part that if the tariff of 1828 did not protect sufficiently, it should be changed to that end. Whatsoever was involved in the question of expediency was submitted, of course, to Congress, to which it properly belonged to decide how far the principle of discrimination should be carried. But as it regarded the duty of exercising the power when necessary, his recommendations were obviously intended to inculcate it so plainly that his meaning should not be left in any doubt.

CHAPTER XXIII.

JACKSON'S ADMINISTRATION—CONDITION OF THE TREASURY AND THE PUBLIC DEBT—HE DID NOT FAVOR REDUCTION OF DUTIES TO AVOID A SURPLUS—FAVORED PROTECTION NOTWITHSTANDING SURPLUS—RECOMMENDED DISTRIBUTION OF SURPLUS—CONGRATULATIONS ON ACCOUNT OF TARIFF OF 1828—PROTECTION CONSTITUTIONAL—AGREES WITH MADISON—REVENUE PRIMARY OBJECT, BUT DISCRIMINATION FOR PROTECTION NECESSARY—UP TO THAT TIME ALL THE PRESIDENTS FAVORED PROTECTION.

AT the date of the message from which the extract in the last chapter was taken, the financial condition of the country was satisfactory At the beginning of the calendar year the balance in the Treasury exceeded $5,000,000, and it was estimated that on January 1, 1830, it would exceed $4,000,000. Over $12,000,000 of the public debt had been paid during the year, and it was stated by the President that "in a very short time" thereafter, the entire debt would be extinguished.

Like Mr. Jefferson, therefore, who had an actual surplus in the Treasury to dispose of, and Mr. Monroe, who anticipated a surplus, General Jackson found himself in a condition requiring him to decide which one of two courses should be adopted—either to lower the duties upon imports to what is now called a revenue standard, so as to collect no more from customs than necessary to defray the expenses of Government; or to adhere to the principle

of protection by levying duties with that view, without regard to the amount of revenue produced. If he had favored a purely revenue tariff, the occasion was a most proper and suitable one for him to announce it; and if the idea of incidental protection — that is, such protection as a revenue duty may, by possibility, afford — had then occurred to him, it cannot be doubted that he would have availed himself of so favorable an opportunity to make it known. But he did not intend to be misunderstood upon either of these important propositions. He was opposed to a mere revenue tariff, and to mere incidental protection, and was in favor of preserving the principle of discriminating duties, no matter how much revenue was produced. And, consequently, in the same message, he said:

"After the extinction of the public debt, it is not probable that any adjustment of the tariff, upon principles satisfactory to the people of the Union, will, until a remote period, if ever, leave the Government *without a considerable surplus in the Treasury, beyond what may be required for its current service.*"

He was considering the fact that the annual receipts of revenue exceeded the annual expenditures; and, consequently, that the surplus had to be disposed of in some way, inasmuch as the public debt would soon be paid. All this was directly before his mind, and the occasion furnished him a fit opportunity for suggesting a strictly revenue tariff if it had met his approval. But, looking forward, he could see that if a protective tariff were persevered in, the surplus would continue to exist,— increasing, probably, from year to year. And with these convictions influencing him, he considered it his duty to declare that, in his

opinion, so long as the tariff remained adjusted "upon principles satisfactory to the people"—which he favored—it would produce so much more revenue than was necessary for ordinary expenses, as always to leave a surplus to be otherwise disposed of. And how to dispose of this surplus was the practical question present in his mind. To say that he did not understand it, and that he did not act with the wisdom of a statesman, when he decided to adopt the views of all his predecessors by maintaining the principle of protection, is an accusation which the advocates of free trade have accustomed themselves to make, without seeming to realize that their charge of ignorance against him recoils upon themselves.

By the principles of the "American System"—which General Jackson had approved—there would have been no difficulty in disposing of this surplus by applying it to works of internal improvement. But this course presented some embarrassments. which he did not deem advisable to encounter. Besides the troublesome question of constitutionality, local interests and antagonisms left all such matters in a condition of doubtful propriety. General Jackson, therefore, after pointing out some of the difficulties which, in his opinion, had "attended appropriations for internal improvements," recommended to Congress what he considered to be a proper and suitable remedy, as follows:

"To avoid these evils, it appears to me that the most safe, just and federal disposition which could be made of this surplus revenue, would be its apportionment among the several States, according to their ratio of representation; and should this measure not be found

warranted by the Constitution, that it would be expedient to propose to the States an amendment authorizing it."

He could not have found apter language to express his desire for the continuance of the existing protective system. His whole argument maintains protection for its own sake —as a distinct and substantive measure of national policy, independent and regardless of revenue. If his opinion had been otherwise, he would have recommended a reduction of all duties to a revenue standard, so as to provide against the possible accumulation of a surplus in the Treasury. So far, however, from favoring such a policy, or from desiring to see the Government make the slightest advance toward free trade, he maintained his own consistency by throwing the whole weight of his character in favor of protection, as he had already done by his vote for the tariff of 1824, and in the pledges made by himself, and by his friends for him, during the contest which resulted in his election the year before.

But the evidence that this was the settled conviction of his mind is not confined to what he said in this message of 1829. In his veto message, May 27, 1830, declining to approve the bill appropriating money for the Maysville turnpike road, he was even more explicit. In that message he said:

"Will not the people demand, as they have a right to do, such a prudent system of expenditure as will pay the debts of the Union, and authorize the reduction of every tax to as low a point as the wise observance of the *necessity to protect that portion of our manufactures and labor, whose prosperity is essential to our national safety and independence*, will allow? When the national debt is paid,

the duties upon those articles which we do not raise may be repealed with safety, and still leave, I trust, without oppression to any section of the country, an *accumulating surplus fund*, which may be beneficially applied to some well digested *system of improvement.*"

He said also in this same message:

"*As long as the encouragement of domestic manufactures is directed to national ends, it shall receive from me a temperate but steady support.* There is *no necessary connection between it and the system of appropriations.* On the contrary, it appears to me that the supposition of their dependence upon each other is calculated to excite the prejudices of the public against both. *The former is sustained on the ground of its consistency with the letter and spirit of the Constitution, of its origin being traced to the assent of all the parties to the original compact, and of its having the support and approbation of a majority of the people;* on which account it is at least entitled to a fair experiment."

He could not have said more — or have said it more emphatically — in favor of the system of protection. "Its consistency with the letter and spirit of the Constitution;" its establishment by "the assent of all" the States; and its approval by "a majority of the people," are propositions so fully and clearly stated as to show that he did not intend to practice the slightest equivocation with regard to them.

But he returned again to the question of disposing of the surplus revenue — which necessarily involved the continuance of protection — in his message of 1830, about six months after his veto of the Maysville road bill. After discussing the question of internal improvements, and pointing out what appeared to him to be the difference between appropriations for national and those for local objects, he said:

"Thus viewing the subject, I have heretofore felt it my duty to

recommend the adoption of some plan for the distribution of the surplus funds, which may *at any time* remain in the Treasury *after the national debt shall have been paid*, among the States, in proportion to the number of their representatives, to be applied by them to objects of internal improvement."

He then repeated what he had said in his first message with reference to the probable future adjustment of the tariff, accompanying it with the remark that he "had no cause to change that opinion, but much to confirm it." And, in order that the policy he proposed for his administration should be well and distinctly understood, he devoted a portion of his message to a discussion of the tariff, with regard to both the constitutionality and expediency of protection. It is impossible to read what he said without being convinced of his sincerity, and without realizing that his reasoning is conclusive. He said:

"Among the numerous causes of congratulation, the condition of our impost revenue deserves special mention, inasmuch as it promises the means of extinguishing the public debt sooner than was anticipated, and furnishes a *strong illustration of the practical effects of the present tariff* [that of 1828] *upon our commercial interests.*

"The object of the tariff is objected to by some as *unconstitutional;* and it is considered by almost all as defective in many of its parts.

"The power to impose duties on imports originally belonged to the several States. The right to adjust these duties *with a view to the encouragement of domestic branches of industry, is so completely identical with that power*, that it is difficult to suppose the existence of the one without the other. *The States have delegated their whole authority over imports to the general Government, without limitation or restriction*, saving the very inconsiderable reservation relating to the inspection laws. This authority having thus *entirely passed from the States*, the right to exercise it *for the purpose of protection* does not exist in them; and consequently, *if it is not possessed by the general Government, it must be extinct.* Our political system would thus present the

NUMBER ENGAGED

In all Gainful Occupations, and the Relative Percentage in each.

TOTAL LABORING POPULATION, 17,392,099.



anomaly of a people stripped of the right to foster their own industry, and to counteract the most selfish and destructive policy which might be adopted by foreign nations. *This surely cannot be the case;* this *indispensable power*, thus surrendered by the States, *must be within the scope of the authority on the subject expressly delegated to Congress.*

"In this conclusion, I am confirmed as well by the opinions of Presidents Washington, Jefferson, Madison and Monroe, who have each repeatedly recommended the exercise of this right under the Constitution, as by the *uniform practice of Congress, the continued acquiescence of the States, and the general understanding of the people.*"

This is a substantial repetition of the argument made by Mr. Madison, upon the question of the constitutional power of Congress to protect manufacturing and other industries, differing only in the fact that it is more extended. And it is among the wonders of the present age that some modern politicians represent these distinguished men as having entertained opinions directly at variance with their express avowals; and others who assume to know far more of the Constitution and the rules which govern its interpretation, than they did. General Jackson was not what the world calls a learned man, in the sense of having acquired a large fund of information from a long course of study. The faculties of his mind were developed and strengthened by constant contact with the actual realities of life, not enervated by the pursuit after visionary theories, which men of genius sometimes follow with the same enthusiasm as children do butterflies, and with the same practical results. He had no leisure, if he had felt inclined, to pore over the pages prepared by closeted students and college professors with a view to construct the speculations of political economy, which they miscall science, as the

basis for the sophistry of free trade. But he had learned the character and construction of the Constitution and Government — as he declared in his letter to the Governor of Indiana — "in the times and from the sages of the Revolution," and had drawn the inspiration of patriotism from their example. He, moreover, possessed a most exact comprehension of the use and meaning of language, and never failed, in anything that came from his pen, to convey his precise meaning and intentions, plainly and without disguise. In the foregoing extracts from his messages, he did so with such perspicuity and emphasis, as to leave no ground for cavil or doubt about his opinions upon the question of either the constitutionality or expediency of the policy of protection. And his whole argument shows how urgent he was that the Government should maintain this policy in whatsoever tariff legislation should ensue. He realized, of course, as everybody does, the difficulty of adjusting the duties upon imports so as to satisfy conflicting interests, and avoid local and sectional prejudices. As to the law then existing, he regarded its advantages and evils as both overrated. But he entirely repudiated the idea of abandoning the principle of protection. On the contrary, he endeavored to excite the patriotism of the people of every section, in behalf of their common national interests, with the evident desire that the question should rest upon national grounds. With this view, he said:

"While the chief object of duties should be revenue, they may be *so adjusted as to encourage manufactures*. In this adjustment, how-

ever, it is the duty of the Government to be guided by the general good. Objects of national importance alone *ought to be protected;* of these, the productions of our soil, our mines, and our workshops, essential to national defense, occupy the first rank. Whatever other species of domestic industry, having the importance to which I have referred, may be expected to compete with foreign labor on equal terms, merit the same attention in a subordinate degree."

And after a further discussion, intended to enforce the necessity of "adjusting the tariff with reference to its protective effect," he continued:

"I am well aware that this is a subject of so much delicacy, on account of the delicate interests it involves, as to require that it should be touched with the utmost caution; and that while an *abandonment of the policy* in which it originated — a policy coeval with our Government, and pursued through successive administrations — *is neither to be expected nor desired*, the people have the right to demand, and have demanded, that it be so modified as to correct abuses and obviate injustice."

He again called attention to the satisfactory condition of the finances, showing that the balance in the Treasury at the beginning of the ensuing year would be about the same as the previous year, and thus that the surplus continued to accumulate. And as the accumulation would be more rapid after the extinguishment of the public debt — which time was rapidly approaching — the condition of affairs remained as it was at the time of his first message: that is, most favorable for a strictly revenue tariff, if he had entertained any purpose whatsoever of recommending an abandonment of the protective system. But he had no such purpose. On the other hand, he did not intend to let even the inference be drawn from his silence, that he desired or would approve of any such abandonment, — for,

in plain words, he said it "*is neither to be expected nor desired.*"

We find, therefore, that every President, during the whole period from the beginning of the Government under the Constitution up to December, 1830—Washington, Adams, Jefferson, Madison, Monroe, John Quincy Adams, and Jackson—was directly and explicitly committed to the support of the policy of protection. None of the light which some modern politicians think themselves wise enough to throw upon the subject, had flashed upon their minds! They were so unenlightened as to prefer the practical policy which wise statesmanship had established and experience sanctioned, to the theories of political economists, who were more adept in the art of so employing words as to make "the worse appear the better cause," than in the science of government! They, therefore, availed themselves of every proper occasion to declare during all the periods referred to, that the Government had no higher duty to discharge than to give just protection to all the diversified industrial interests of the people, so as, by that means, to develop the great natural resources of the country, and make it absolutely independent of all foreign countries, as well materially as politically.

CHAPTER XXIV.

SECTIONAL CONTROVERSY APPROACHING — COTTON INTEREST AROUSED — FREE TRADE IN THE SOUTH — TARIFF OF 1828 DENOUNCED — DEFENDED BY JACKSON — HIS EXULTATION AT GENERAL PROSPERITY — REVENUE AND PUBLIC DEBT — SURPLUS TO BE DISTRIBUTED AND PROTECTION MAINTAINED — HIS SPIRIT OF COMPROMISE — REVENUE LIMITED TO WANTS OF GOVERNMENT AND SURPLUS AVOIDED — WAR UPON HIS ADMINISTRATION — TARIFF OF 1832 PASSED — DUTIES UPON PROTECTED AND NON-PROTECTED ARTICLES — HORIZONTAL DUTIES STEP TOWARD FREE TRADE.

THE country was now approaching a time when it was destined to realize the fierceness and danger of sectional controversy. In the cotton-growing States the advocates of free trade, under the lead of the politicians of South Carolina, had succeeded in forming a party, composed of most excitable materials, in opposition to the tariff. They characterized the law of 1828 as "the bill of abominations," and insisted that if the measure of protection which it contained were persevered in, it would reduce the people of their section to the humiliating condition of "hewers of wood and drawers of water" at the feet of the Northern manufactures. Their appeals to sectional prejudices were not only earnest, but in the very highest degree inflammatory.

General Jackson, however, remained undisturbed, and met the question with his ordinary courage. In his message

of December, 1831, he congratulated the country upon its agricultural and manufacturing prosperity, and manifestly intending to show that he did not intend to become a party to the injudicious war against the latter of these interests, he referred especially to manufactures in these words:

"Manufactures have been established in which the funds of the capitalist find a profitable investment, and which give employment and subsistence to a numerous and increasing body of industrious and dexterous mechanics."

He congratulated the country upon the prosperity of the manufacturing interests; upon the rapid construction of works of internal improvement, by which the wages of labor were increased, and upon the general evidences of the healthy condition of commerce, navigation and trade. All this was justly attributable to the stimulus given to commerce and industry by the protective tariff of 1828, then in force, and so conspicuous had its beneficial effects become by that time, that his patriotic enthusiasm was enkindled at our wonderful development. There are not, in any state paper, more eloquent words than those by which, in this message, he pointed out the evidences of our national greatness.

"If, from the satisfactory view of our agriculture, manufactures and internal improvements, we turn to the state of our navigation and trade with foreign nations and between the States, we shall scarcely find less cause for gratulation. A beneficent Providence has provided for their exercise and encouragement an extensive coast, indented by capacious bays, noble rivers, inland seas; with a country productive of every material for shipbuilding, and every commodity for gainful commerce, and filled with a population, active, intelligent, well informed, and fearless of danger. These advantages are not neglected, and an impulse

has lately been given to commercial enterprise which fills our shipyards with new constructions and encourages all the arts and branches of industry connected with them, crowds the wharves of our cities with vessels, and covers the most distant seas with our canvas."

With the realities of this flattering picture of national prosperity directly present to his mind, it was impossible for him to feel otherwise than exultant at the results produced by the protective policy which he had so earnestly and consistently supported. And, therefore, in the further enumeration of these results he congratulated the country that the increase of trade had produced "a corresponding increase of revenue, beyond the most sanguine anticipations of the Treasury Department." In this he furnished a complete answer to the assertion, often made by the opponents of protection, that protective duties lessen the revenue by cutting off importations. The facts stated by him condemned their theory. The revenue for that year, under the tariff of 1828, exceeded the ordinary expenditures about $13,000,000, which enabled the Government to pay over $16,000,000 of the public debt; so that the whole amount of the debt paid between March 4, 1829 — when General Jackson's administration commenced — and that time, exceeded $40,000,000, and gave satisfactory assurance that the debt would be entirely extinguished before his term of office expired. Consequently, he was more directly confronted than he had before been by the question which involved the disposition of the surplus revenue. Believing, as he did, that it would be bad policy to permit it to accumulate and to remain undisposed of in the

Treasury, he again called the especial attention of Congress to the subject, in these words:

"The confidence with which the extinguishment of the public debt may be anticipated, *presents an opportunity for carrying into effect more fully the policy in relation to import duties which has been recommended in my former messages.* A modification of the tariff, which shall produce a reduction of our revenue to the wants of the Government, and an adjustment of the duties on imports with a view to equal justice in relation to all our national interests, and to the *counteraction of foreign policy*, so far as it may be injurious to those interests, is deemed to be one of the principal objects which demand the consideration of the present Congress."

Beyond this, his reference in this message was only to the necessity and justice of making all material reduction of duties prospective, whensoever they were deemed expedient, so as not to operate injuriously upon merchants and manufacturers. He suggested the necessity of relieving the people from all such taxation as was not necessary to the support of the Government. That he intended, in the spirit of compromise, to deal pacifically with those in South Carolina who were disposed to disturb the quiet of his administration and endanger the peace of the country, is evident. He was, manifestly, ready to meet them at a point more than half way, and to abandon the idea of continuing to accumulate a surplus in the Treasury for distribution, so that the revenue to be raised should be regulated by the wants of the Government. But he was not willing to abandon the principle of protection, which constituted the only means of "the counteraction of foreign policy" and the advancement of those "national interests," in behalf of which he had so earnestly spoken in another part

of the same message. But his efforts in the direction of compromise were unavailing, for the simple reason that the cotton-growing interest was rapidly advancing towards the policy of absolute free trade. It was willing to employ the disguise of a revenue tariff, with a horizontal scale of *ad valorem* duties, for the time being, but with this ultimate end in view. As this could not be done without endangering the principle of protection — to which General Jackson was not willing to concede — the issue was distinctly formed, and the war upon his administration and upon the policy of protection was immediately inaugurated. There are none so ignorant as not to know the terrible consequences which have followed the rejection of his measures of pacification.

It took but little time after the meeting of Congress, in December, 1831, to demonstrate that the introduction of the tariff discussion — which was unavoidable under the existing condition of affairs — would precipitate an open and palpable issue between protection and free trade. But it was, nevertheless, a curious fact — to say the least of it — that the most violent and indiscreet assailants of the protective policy were found among those who had contributed to the election of General Jackson, and who, on that account, seemed to consider themselves entitled to make war upon his administration with extreme vindictiveness. The contest was conducted upon both sides, with great ability, and, upon the part of the representatives of the cotton-growing interests, with unexampled virulence. It terminated, however, in the passage of the tariff law of 1832 — which was a continuation of the protective policy — and its approval by

General Jackson very much to the discomfiture of his adversaries. A correct idea of the character of this fierce struggle may be obtained from a few leading facts, which show how the issue between the opposing parties — the friends and opponents of protection — was made up. It was both an important and instructive period in our history.

The recommendation of the President, that the surplus revenue be distributed among the States, necessarily involved the whole question of the future adjustment of duties. In the first place, it would be unavailing in the future, if the duties were reduced to a simple revenue standard; for, in that event, there would be no surplus after the payment of the ordinary expenses of Government. In the second place, if the duties were continued primarily for revenue and secondarily for protection the difficulties were two-fold: — first, the selection of the articles to be placed upon the free list; and second, the degree of protection to be extended by duties upon other importations. Among the supporters of protection there were none who were ready to assent to a horizontal standard of duties; which was soon developed as a part of the scheme of the enemies of protection, who considered it a most important step in the direction of ultimate free trade. Their theory was that with all the duties at the same fixed ratio, the principle of protection would thereby be abandoned; and that, if the ratio could be fixed so low as not to interfere materially with the importation of cotton and woolen goods the cotton-growers could exchange their raw material for these articles with the British manufacturers, at a larger

profit than they could obtain by exchanging with American manufacturers. In other words, they had become, by this time, thoroughly indoctrinated with the opinions of the English free traders, and, in their zeal for the introduction of an entire change in the policy of the Government — after nearly half a century of undisturbed practice — they persuaded themselves to believe that a deadly animosity existed between the Northern, Central and Western States and the cotton-growers of the South, which could only be terminated by the extinction of one or the other interest. The destruction of the former and the triumph of the latter was the object they endeavored to accomplish by a revenue tariff with a horizontal scale of duties upon all imported articles.

Among the friends of protection there were differences of opinion with regard to two propositions: first, whether the duties should be retained on the unprotected articles, and increased on those protected; and, second, whether the duties on the unprotected articles should be abolished or reduced, and those on the protected articles retained. Even the most zealous protectionists were not disposed to urge the adoption of the first of these propositions, because of the determined objection to it on the part of the enemies of protection, who regarded it as containing every possible form of evil. They did not desire to press the controversy to an extreme point, inasmuch as they were disposed to conciliate the opposition—reciprocating the friendly spirit shown by General Jackson. And, besides, they could foresee that if the unprotected articles were left untouched, and the

duties upon the protected class increased, the measure might possibly become prohibitory in its effect, and thus cut off or seriously lessen importations and destroy competition in our home markets. The general sentiment, therefore, favored the former of these propositions as the most equitable and just, because as Mr. Clay argued, "it divides the whole subject of imports according to its nature"; that is, it would reduce or abolish the duties upon articles of prime necessity not produced in the United States, and leave those upon the other articles to be fixed upon a basis proper for the protection of manufactures. It was intended, by the adoption of this plan, to avoid any material interference with that which had prevailed from the beginning of the Government, and, at the same time, so to modify the principle of protection as not to raise revenue for the mere purpose of creating a surplus for distribution, but to limit the amount, as nearly as could be, by the necessary expenditures of the Government. Protection was to be retained as secondary to revenue, yet as a substantive measure of policy. If there was any incidental feature attached to it, it was alone in the sense that unless revenue were raised there would be no protection, and not in the sense that the constitutional power to protect was, in any sense, incidental to the power to raise revenue.

The recommendation of General Jackson, as embodied in his messages of 1829 and 1830, and specially referred to in that of 1831, as we have already seen, amounted to this: that protective duties be persevered in, so as to produce an annual surplus over and above the amount necessary for

the supply of the Government, and that the policy should be established of distributing the surplus among the States, under the Constitution as it now stands, or by an amendment to it if that should be deemed necessary. But the actual recommendation in his message of 1831—evidently originating in the motives already explained—was that the revenue be reduced "to the wants of the Government," leaving very properly to Congress the duty of fixing the standard by which to estimate them. And, consequently, the issue assumed such a shape as to present the question directly, whether or no the duties should be reduced upon some of the articles of prime necessity not produced in the United States—notably upon teas. This opened the whole field of inquiry with reference to both revenue and protection, and the contestants marshaled themselves under their respective leaders—the administration of General Jackson upon one side, the cotton-growers upon the other, or such of them as had then become converts to the doctrine of free trade, as specially conducive to their interests.

CHAPTER XXV.

CONDITION OF THE TREASURY—DUTIES ON TEAS—HAYNE ATTACKED PROTECTION—OPPOSITION TO JACKSON'S ADMINISTRATION BY ADVOCATES OF FREE TRADE—JACKSON FIRM—SECRETARY OF TREASURY FAVORS PROTECTION AND INCREASE OF SALARIES AND EXPENSES TO AVOID SURPLUS—NO ABANDONMENT OF PROTECTION—PROCEEDS OF PUBLIC LANDS TO BE WITHDRAWN FROM REVENUE TO AVOID SURPLUS—BOUNTIES—PROTECTION SINCE 1789—ITS BENEFICIAL EFFECTS.

IN order to appreciate satisfactorily the proceedings of Congress and the policy of the administration with regard to the tariff and the principle of protection, it is necessary to understand the financial condition of the Treasury.

It was shown by the report of the Secretary of the Treasury — Mr. Louis McLane, of Maryland — that the receipts from customs for the year 1830 were $21,237,416.04, and that the balance in the Treasury at the end of that year was $6,014,539.75; while the receipts from the same source for the year 1831 were $17,354,291.58, and the balance in the Treasury at the end of that year, $3,047,751.37. Thus the receipts from customs had fallen off $3,883,124.46, and the balance in the Treasury had been reduced $2,966,788.38 in one year. This was not regarded as indicating an unfavorable condition of our commerce, which was, indeed, healthy and very satisfactory. But it

furnished the Secretary with a basis upon which to estimate the receipts from customs for the ensuing year. These he estimated at $26,500,000, which was $9,145,708.42 more than the receipts for the year 1831, and $5,262,583.96 more than those of 1830. The public debt, under the operations of the sinking fund system which had been established under Mr. Monroe's administration, was gradually disappearing; and it was believed by the Treasury Department that it would be reduced to the nominal sum of a little over $2,000,000 by January 1, 1833, and be entirely extinguished soon thereafter. Under these circumstances, the estimate of increased revenue from customs must be taken as indicating the purpose, on the part of the administration, of retaining the duties upon the unprotected articles at the rate fixed by the existing tariff, and of either adopting the same policy with reference to the protected articles or of increasing the duties upon them. The President, as his message shows, did not contemplate a reduction of duties upon either the protected or unprotected articles. But if he had left the subject at all in doubt, these recommendations of the Secretary of the Treasury, the course adopted by him, and the language of his report, removed it. All these prove that he was as anxious as General Jackson to preserve the principle of protection.

The proposition to reduce the duties on teas—which belonged to the class of unprotected articles—was referred, in the Senate, to the Finance Committee. It was submitted by them to the Secretary of the Treasury for his opinion,

and he reported that he did not consider the reduction expedient, because teas belonged to those articles which, as he said "will always be a source of revenue"; that is, they can always be relied upon for producing revenue, inasmuch as they are of prime necessity. This opinion of the Secretary elicited a debate in the Senate, in which Mr. Webster and Mr. Clay both advocated a reduction of the duties on teas, and Mr. Smith, of Maryland, on behalf of the administration and the Finance Committee, opposed it. There was, however, no radical disagreement between them with reference to protection; and the debate did not take the turn of opening that general question for discussion, until Mr. Robert Y. Hayne, of South Carolina, as the champion of the cotton-growing interest and of free trade, took occasion to denounce, in the severest terms, the whole revenue system, and to mark out the course of opposition to protection, even in its most modified form. He employed the following language:

"Against a system so unjust, unequal, and oppressive, the tax-paying people of the United States, those who receive no portion of the bounties of the protecting system, the people of the Southern States, those whom he in part represented on this floor, must forever protest. Let not any gentleman 'lay the flattering unction to his soul' that these people would be satisfied with any arrangement of the tariff which shall not go to the full length of bringing down the duties to the true revenue standard, the raising no more money from duties than may be necessary for the just purposes of Government, and to raise this amount from duties to be arranged on fair and equal principles—a reasonable *ad valorem duty on all articles protected and unprotected*—a system which shall be based on the great principle of equal benefits and equal burdens. Such a system, and such only, could ever reconcile the people to the operation of the tariff, or quiet the discontents which had sprung out of the existing unjust and oppressive system."

It was considered a somewhat strange assumption of authority on the part of Mr. Hayne in undertaking to speak for "the tax-paying people of the United States," inasmuch as outside of South Carolina there was scarcely a single murmur of complaint against the protective system. It was otherwise, however, when he referred to the "discontents" which the system had occasioned; it being well understood that he referred to a portion of his own constituents. He had the right to speak for these; yet when he magnified their numbers by calling them "the people of the Southern States," he betrayed his object as completely as if he had openly avowed it, which was to unite the entire cotton-growing interest in a party of opposition to General Jackson's administration, against the system of protection, and in favor of free trade, under color of a horizontal revenue tariff. The plan of procedure, although not then fully developed, consisted in persuading the cotton-growers to believe that their special and peculiar interests would be promoted by demanding that a system which commenced with the Government and had continued uninterruptedly during all its existence — by means of which the resources of the country had been wonderfully developed, its commerce enlarged, its industries improved, and the Treasury regularly and plentifully supplied — should be supplanted by one entirely new and untried. This new system was intended, from the origin of these movements, to have far less reference to the wants and necessities of the Government, than to the local interests of those in whose behalf Mr. Hayne spoke; in other words, the interests of the

Government of the Union were to be subordinated to their sectional interests. The issue was made, therefore, not alone with the protective system, but with the avowed policy of General Jackson and his administration; and hence the controversy was conducted on the part of the discontented adversaries of the administration with unusual violence. Their passions became terribly aroused, and they could not lay them aside long enough to see—what everybody else saw—that their success, if accomplished, would imperil the general prosperity, with which their own was closely united. Thus influenced, they seemed to suppose that so formidable an adversary as the President, backed, as he was, by all the friends of protection, could only be overcome by menace and denunciation. But all their efforts proved, in the end, unavailing. The President was not alarmed at their threats, and the ranks of the defenders of the protective system remained, for the time, unbroken.

The Secretary of the Treasury did not think that Congress would be likely to establish a system by which revenue should be raised from customs in order to produce a surplus for distribution among the States; nor, in his opinion, was it desirable. Yet, at the same time, he was so far from desiring to see the principle of protection abandoned, that he recommended the public lands to be disposed of to the States in which they lay at a fair price, and the proceeds apportioned among the States, so as to cut off the supply of revenue from that source. This method would have had, at that time, the same effect upon the

revenue to be raised from customs as the distribution of the surplus; for as the receipts from lands for 1832 were estimated at $3,000,000, the amount to be raised from customs would have remained about the same. In so far, therefore, as the principle of protection was involved, it made no difference whether the surplus was distributed or the lands disposed of to the States and the proceeds distributed. And so the Secretary of the Treasury, Mr. McLane, understood; as is evident from his earnest recommendation that the revenue be kept up to the amount covered by his estimates. Rather than reduce the duties, he recommended that the ordinary expenditures be increased, for the various objects set forth in his report; such as augmenting the naval and military establishments; extending the armories; arming the militia of the States; increasing the pay and emoluments of naval officers, and providing them with nautical instruction; enlarging the navy hospital fund; strengthening the frontier defenses; removing obstructions from the Western rivers; making accurate and complete surveys of the coast; and improving the coast and harbors. In addition to these general expenditures, he also recommended increased compensation to some of the officers of the customs, and to our foreign ministers; and additional provision for pensions to the officers and soldiers of the Revolution. It is not material whether these expenditures were right and proper in themselves or not; but the manner in which they were urged by the Secretary of the Treasury conclusively proves that he was opposed to any reduction of the revenue from

customs, and, consequently, to any reduction of the duties upon either the protected or unprotected articles. While he did not think it expedient to raise a larger amount of revenue than should be necessary to defray the expenses of the Government, nevertheless he realized the necessity of increasing the expenses, rather than abandon protection, considering, as he said, that "the propriety of reasonably protecting the domestic industry is fully conceded." He even went so far as to suggest a system of bounties, for the benefit of labor and capital, if it should become necessary "to shield them from the injurious regulations of foreign States," rather than levy duties with view to a surplus. Not anticipating any such contingency, however, he proceeded to declare, with great clearness, the necessity of adhering to the protective policy and the principles upon which he regarded it as resting. He said:

"To distribute the duties [upon imports] in such a manner, as far as that may be practicable, as to *encourage and protect the labor of the people of the United States* from the advantages of superior skill and capital, and the rival preferences of foreign countries; to *cherish and preserve those manufactures* which have grown up under our own legislation, which contribute to the national wealth, and *are essential to our independence and safety*, to the defense of the country, and the supply of its necessary wants, and to the general prosperity, is considered to be an *indispensable duty*. The vast amount of property employed in the Northern, Western, and middle portion of the Union, upon the faith of our own system of laws, and in which *the interests of every branch of our industry are involved*, could not be immediately abandoned without the most ruinous consequences.

"The various opinions by which the people of the United States are divided upon this subject, concern the peace and harmony of the country, and recommend an adjustment on *practical* principles rather than with reference to any *abstract doctrines of political economy*.

"The proposed action of Congress will not be directed to introduce or countenance, for the first time, the *adaptation of duties for revenue to the protection of American labor and capital.* The origin of that lies at *the foundation of the Government;* and *taking root in the act of July, 1789, it has since increased and spread over our whole legislation, has quickened each branch of industry, and affected most of the important relations of society.*"

And thus we reach a point in the history of General Jackson's administration, when it clearly appears, both from his own declarations in his messages and from those of his Secretary of the Treasury, that it was fully committed to the doctrine of protection. And it is equally apparent that whatsoever efforts had then been made to obtain Congressional legislation adverse to that doctrine, had centered in opposition to his administration. We shall see, in the sequel, how fiercely the controversy was carried on upon the part of those who formed this combination, and how the result proved that "whom the gods seek to destroy they first make mad."

CHAPTER XXVI.

HOUSE OF REPRESENTATIVES—McDUFFIE CHAIRMAN COMMITTEE WAYS AND MEANS—ADAMS OF COMMITTEE OF MANUFACTURES—THEIR REPORTS, FORMER AGAINST PROTECTION, THE LATTER FOR IT—EFFORT TO UNITE COTTON SECTION AGAINST JACKSON—OBJECT WAS TO DEFEAT HIS RE-ELECTION—FREE TRADE ARGUMENTS—EXCITEMENT PRODUCED BY TARIFF OF 1832 IN SOUTHERN SECTION—SECTIONAL CONTEST INAUGURATED.

IT is not necessary to the purpose of the present inquiries to trace the entire course of legislation which resulted in the passage of the tariff law of 1832, in response to the recommendations of the administration. That purpose being circumscribed within a narrower compass, will be fully answered by explaining the grounds of opposition to the protective system, how it was maintained, and the reasons which were then and have ever since been accepted in its justification.

The opposition took more active shape in the House of Representatives than in the Senate. That being the body within which, by the Constitution, all revenue bills must originate, the discussions which generally attend them take a very wide range. It is important to us now that we should understand them to the extent only of seeing the grounds upon which the enemies of protection planted themselves—attempting no further detail than is necessary

to convey a general idea of their plans and policy. Anything beyond this would be impracticable.

Mr. Andrew Stevenson, of Virginia — a supporter of the administration — was elected Speaker of the House. It is to be supposed that in the organization of the Committees he had no desire to antagonize the President. But, howsoever this may have been, he placed Mr. George McDuffie, of South Carolina — the most openly avowed and formidable enemy of protection in the House — at the head of the Committee of Ways and Means. This position entitled him, at that time, to be considered the leader of the House, and gave him a degree of influence beyond that possessed by any other member. How this was brought about it is difficult now to understand, and any conjecture with regard to it might be unjust. It is enough to know — and that is all we can now know — that when the Committee was formed at the commencement of the session there had not been any open manifestation of the purpose to attack the administration with reference to its plan for raising revenue, or to organize a sectional party against protection and in favor of free trade. Whatsoever had occurred indicating anything of that sort was local in character, and seemed to be rather the vaporing of a few passionate and excitable men in a single State than the settled design of a sufficient number to create a new party. It is not to be supposed, therefore, that the results which followed were then anticipated. The Committee was composed, besides Mr. McDuffie, of Mr. Verplank, of New York; Mr. Ingersoll, of Connecticut; Mr. Gilmore, of Pennsylvania; Mr. Alex-

ander, of Virginia; Mr. Wilde, of Georgia; and Mr. Gaither, of Kentucky. We are to conclude, of course, that a majority of this Committee were supporters of the administration —according to the invariable custom. And for this reason, undoubtedly — with a view to enable the administration to procure such measures of legislation as were deemed necessary to carry out its policy — that part of the President's message which related to measures of revenue and taxation was referred to the Committee of Ways and Means.

The Committee on Manufactures was organized by the appointment of Mr. John Quincy Adams, Chairman, he having been elected to the House of Representatives after his defeat by General Jackson. This Committee was composed, besides him, of Mr. Condict, of New Jersey; Mr. Findlay, of Ohio; Mr. Horn, of Pennsylvania; Mr. Dayan, of New York; Mr. Worthington, of Maryland; and Mr. John S. Barbour, of Virginia. And to it was referred that part of the President's message which related to manufactures and to a modification of the tariff.

There is no reason for supposing that these Committees were not fairly organized. On the contrary, the high character of the Speaker forbids any such suspicion. But it is important to observe with reference to them that, whatsoever jurisdiction they may have had respectively given them by the Rules of the House, they both reported upon and discussed the whole question of the tariff in its relations to revenue and protection. Whether this jurisdiction, on the part of the Committee of Ways and Means, was or

was not assumed, is now of no consequence. The fact with which we have to deal is this: that, although organized in the political interests of the administration, that Committee took occasion to condemn, with unusual harshness, the doctrines announced by General Jackson and his Secretary of the Treasury, as well as the policy of protection in all its aspects. This may not have had any special significance at the time, but, interpreted by events which have since transpired, it serves to show that it was part of the plan—cautiously adopted but not openly avowed—to turn the administration from its settled course, if possible, and convert it into an engine of oppression to the industrial interests it had all along steadily defended. It is fortunate for those interests that General Jackson had courage enough to follow his own convictions, and that he belonged to a class of men not easily intimidated.

A report was made by Mr. McDuffie in the name and by the authority of the Committee of Ways and Means, which purported to have been assented to by the whole Committee, or at least by a majority. It was ingenious, eloquent, and full of sophistry. It attacked the whole system of protection in the most earnest and vehement manner. It was the first open and direct attempt ever made by authority of a standing Committee of Congress, to give countenance to the organization of a free trade party in the United States; a result which its author manifestly designed with a view to accomplish the defeat of one of the leading measures of the administration, and thus, if possible, put it out of the power of General Jackson to

become his own successor at the ensuing Presidential election. The step was taken with the characteristic intrepidity of Mr. McDuffie and his coadjutors; and was so contrived as to obtain either the express or implied assent of the members who composed a majority of the Committee, and who, without any seeming consciousness of the fact, were plastic enough to be molded to the will of their Chairman, by his superior and commanding ability. If they had not felt themselves dwarfed in his presence, it is scarcely possible they would have submitted to the humiliating attitude in which the report placed them, of attempting to create a party of opposition to an administration of which they were professed supporters.

The Committee recommended the abolition of specific and the substitution of *ad valorem* duties, and that these be fixed at the same rate on all imported merchandise. This, it was insisted, was the only method of making taxes uniform, as the Constitution requires. But the real object was to get rid of discriminating and protective duties by means of a horizontal tariff. The design was, with these out of the way, to carry what was called the principle of equality a few steps further, so as to bring about the establishment of the proposition that, if any duties at all were to be levied, they should be the same upon both American and foreign manufactures, when the latter were made from materials produced in the United States and exchanged for them. The inexplicable theory was advanced that these foreign manufactures "are equally the productions of domestic industry" with those produced in this country,

notwithstanding the foreign labor which enters into their value. Upon this point the Committee, in apparent sincerity, said:

"Imported manufactures are the productions of Southern labor and capital; domestic manufactures are the productions of Northern labor and capital; and nothing short of *an equal exemption of both from taxation, or the imposition of equal duties on both,* can secure to these two great rival branches of domestic industry a fair and equal competition in the market."

Every thoughtful mind must be staggered at this. To say nothing of its utterly illogical conclusions, it draws no distinction between American and foreign fabrics, when the latter are manufactured out of raw materials produced in this country. The underlying idea was that British cotton goods manufactured out of American cotton should be imported free of duty, because no domestic tax is imposed upon the same kind of goods of American manufacture; or if they shall be required to pay import duties, that a domestic tax of like amount shall be imposed, as a direct charge, upon cotton goods manufactured in the United States! Such a proposition calls for no argument, in either of its aspects. And it is worthy of present consideration only because it explains the object sought to be accomplished by the advocates of free trade when, under the guardianship of one of their greatest leaders, they proposed to reverse the whole practice of the Government by uprooting the principle which gives preference to American over foreign labor, and places them both upon the same footing. In further enforcement of this same theory, the Committee also say:

"There cannot be a more palpable and delusive error than the vulgar notion that imported manufactures, which have been purchased by the

agricultural staples of this country, are foreign productions. They are as strictly and exclusively the productions of domestic industry as if they were manufactured in the United States."

Under the influence of some strange hallucination, this Committee of Ways and Means reached the conclusion that it was "vulgar" to reason about American labor as all the Presidents from Washington to Jackson had done; and, having thus established their premise, they had no difficulty in reaching the conclusion that foreign markets were the "*natural markets*" for the cotton-growing States, and that it was "unjust and unnatural to obstruct or impede the *free intercourse of the Southern planters with their natural markets abroad.*" But the Committee were not satisfied with indulging in these illusive speculations. Keeping in view the necessity of giving strength to the free trade party, in order to defeat the policy of General Jackson and his administration and thus destroy the principle of protection, they deemed it expedient to arouse the Southern mind into a flame of passionate excitement, and to incite the Southern people into collision with the settled policy of the Government, and, if their end could be accomplished in no other way, with the Government itself. This is what they said:

"It would be worse than voluntary blindness in those to whom the rights, the interests, and the destinies of the Southern people, are, in an especial manner, committed, not to perceive and give warning of the inevitable doom that awaits them if that *protecting policy* which impoverishes and destroys one branch of industry to enrich and sustain another *be not utterly and absolutely abandoned.* This Congress should adopt no half-way measures, no temporary expedients, *but 'reform it altogether.'*"

There was apparent madness in this studied effort to stir up sectional strife upon a question about which there

had been such entire unanimity among all the Presidents — but two of them, out of seven, were from the North—but there was method in it. The Committee appealed to the Western States to unite with the Southern in opposition to protection, by attempting to prove that, as the latter purchased live stock from the former, they would need greatly increased quantities if they could succeed in overthrowing American manufactures and increasing their own profits by exchanging their cotton for foreign fabrics manufactured by labor paid for at pauper rates. No other feelings were addressed than such as were sectional and mercenary, and these the Committee endeavored to arouse in behalf of foreign and against American manufactures; as if the Nation itself had no interest whatsoever in a policy it had maintained from its birth, and under the influence of which it had developed into one of the foremost powers of the world.

It may seem strange to many of the present day that the administration of General Jackson had to rely upon the Committee on Manufactures, with John Quincy Adams at its head, for a defense of its policy against this violent attack made upon it by the Committee of Ways and Means. Nevertheless, such was the fact. The Committee on Manufactures also made a report, through Mr. Adams, which professedly had the approval of all its members. It did not pretend to answer in detail all the arguments employed and assertions made by the Committee of Ways and Means, but it exposed their sophistries completely, and vindicated the policy of the administration in its support of protection.

It was calm and deliberate—making no appeal to passion or to sectional prejudices. On the contrary, it exhibited a willingness to make some concessions to free-trade prejudices by removing the system of graduated minimums, to which special objection had been made in the South, by the admission of coarse wools free of duty, and by some reduction of the duties upon articles manufactured from them. And, in an unanswerable argument, it demonstrated the necessity of building up and sustaining our own manufactures, as one of the essential means of increasing and maintaining our national greatness. In this respect Mr. Adams displayed power and eloquence of language peculiarly his own; yet, at the same time, he was compelled to repeat arguments long familiar to the country; for, in fact, the policy of protection had been so vindicated by Washington, Jefferson, Madison, Monroe, and by Jackson himself, that his task was well performed by following in their footsteps.

It is most instructive to consider now the relation which these reports respectively bear to the history of the times to which we are here referring. Mr. McDuffie, a professed supporter of General Jackson, in one of them—backed by the Committee of Ways and Means—assailed the policy of the administration, and avowed the determination to excite the South to madness with a view to defeat it; Mr. John Quincy Adams, who had been defeated for the Presidency by General Jackson, in the other—backed by the Committee on Manufactures—defended the policy of the administration in earnest and eloquent words, and rebuked the effort to

stir up strife between the sections, by a calm and fitting appeal to the patriotism of the Nation. The one was an instance of the misguided zeal of a great man who was more partisan than patriot; the other, an honest effort of one still greater, who was more patriot than partisan.

The administration was sustained. The pending tariff bill passed the House of Representatives by a vote of 132 *yeas*, to 60 *nays*—more than two to one—and the Senate by 32 *yeas* to 16 *nays*—just two to one. It became the tariff law of 1832 by the approval of General Jackson, while he was again a candidate for the Presidency, as his own successor. And even those who do not personally remember that contest—between him and Mr. Clay—will infer from this fact, the conspicuous part which so important a measure must have borne in it, especially among that portion of the Southern people who had allowed their passions to be inflamed by eloquence they seemed powerless to resist—which fired their hearts but dethroned their reason.

CHAPTER XXVII.

PRESIDENTIAL CAMPAIGN OF 1832—CALHOUN HEADED PARTY AGAINST JACKSON—VAN BUREN NOMINATED FOR VICE-PRESIDENCY—PARTY ORGANIZED AGAINST PROTECTION AND AGAINST JACKSON—FAVORED HORIZONTAL TARIFF—JACKSON UNTERRIFIED—SOUTH CAROLINA REFUSED TO VOTE FOR HIM—PASSED NULLIFICATION ORDINANCE—FORMED MILITARY ORGANIZATIONS—THREATS AGAINST THE UNION—THEIR FORMIDABLE CHARACTER.

THE year 1832 was marked by many events which occupy important and conspicuous places in our political history. General Jackson and Mr. Clay were opposing candidates for the Presidency. The former was nominated by common consent, without the intervention of a national convention, but as Mr. Calhoun, who was then Vice-President, had become dissatisfied with the administration, and his supporters in South Carolina had organized resistance to the tariff policy of the Government, which General Jackson approved, it became necessary to select another candidate for that office. For that purpose a national convention was assembled, and Mr. Martin Van Buren, of New York, was nominated. It would not be strictly correct to say that this nomination was made with special reference to the tariff although he had voted for both the tariff laws of 1824 and 1828, and was understood as maintaining the same views of the policy of protection as General Jackson had

frequently expressed both before and after his election. But it is undoubtedly true that the opposition to him was, to some extent, on that account; and mainly because he was committed to that mode of interpreting the Constitution which establishes the power of Congress to protect manufactures and other branches of national industry. Those unfriendly to him voted for Mr. Philip P. Barbour, of Virginia, whose opinions with reference to a strict construction of the Constitution—the exercise of implied powers by Congress, and the reserved rights of the States—were, it was believed, more in harmony with their own. These theories were then taking root in the minds of the cotton-planters of the South, and the purpose of this movement doubtless was so to influence the Presidential canvass as to ultimately bring about the formation of a new party of strict constructionists, in order to increase the powers of the States, limit those of the National Government, and, in the end, abolish the principle of protection and establish free trade. That there was some foreshadowing of this design, seems to be established by the fact that the only votes cast for Mr. Barbour were from the States of North Carolina, Virginia, Maryland, South Carolina and Alabama; in all of which there soon existed organizations in opposition to the protective policy. And, besides, it was understood at the time that, if an attempt had been made to agree upon a "platform of principles," the anti-tariff members of the convention would demand a declaration favoring their views, or, failing in that, would withdraw. The attempt, however, does not seem to have been made; or, if it was, it led to no

practical result. The reason was—as all the leading incidents tend to prove—that it was deemed expedient to leave matters in such a condition as to secure a large support to General Jackson and Mr. Van Buren from the enemies of the tariff in the South, and thus assure their election; because it was well understood that their uniform support of protection would reconcile its friends in the tariff States to both of them. It was a game of political chess most skillfully played. In order that the players might win, without danger of a check-mate, a "platform" was dispensed with, and the following resolution adopted as a substitute:

"*Resolved*, That it be recommended to the several delegations in this convention, in place of a general address from this body to the people of the United States, to make such explanations, by address, report, or otherwise, to their respective constituents, of the object, proceedings and result of this meeting, *as they may deem expedient.*"

General Jackson had nothing to do with this convention, nor had it anything to do with him. As he was already a candidate, without its agency, its whole duty consisted in the selection of a candidate for the Vice-Presidency. And when it is considered that, among all the public functionaries in this country, there is not one who has less to do officially with the management of public affairs than the Vice-President, it should excite no special surprise that the members of this convention were left to do and say whatsoever they might "deem expedient" to secure his election. As for General Jackson, his claims were based upon his public services and unquestioned

integrity. He had voted for the tariff of 1824, had administered that of 1828, and, as President, had approved that of 1832. His letters to Dr. Coleman and the Governor of Indiana were before the country. In these and in his messages he had advocated the system of protection in apt and earnest language, having expressly avowed his determination to stand by the policy adopted under the administration of Washington, and maintained during those of Jefferson, Madison, and Monroe. This was "platform" enough for him. It was different with Mr. Van Buren as a candidate for the Vice-Presidency. It was deemed expedient in his case that the field of operations should be widened out sufficiently to furnish standing room for both the friends and enemies of protection — for the tariff men of the manufacturing sections and the anti-tariff men among the cotton-planters. Hence, the resolution adopted left the former to vote under the assurance that protection had a steady and consistent supporter in General Jackson; and the latter to decide whether they would announce and vote for a competing candidate favorable to their own peculiar views, or continue to co-operate with those with whom they had been acting, with the hope of being able, in the end, to accomplish their object in that mode. They decided upon the latter course; and, consequently, the electoral votes of all the cotton-growing States were cast for General Jackson and Mr. Van Buren, except that of South Carolina; which State, under the leadership of Mr. Calhoun, Mr. Hayne, and Mr. McDuffie, refused to support General Jackson, and voted for Mr. John Floyd, of Virginia, as the proper

exponent of their distinctive opinions. The only avowed ground of this opposition to General Jackson was the consistent and persevering support he had given to the system of protection, both before and after his election.

This opposition led to a course of procedure in South Carolina, far exceeding in violence that in any other State, having been carried, indeed, almost to the extremity of open resistance to the authority of the National Government. A theory of the Constitution was announced, which denied to the Government the rightful power to do many things it had been in the constant habit of doing during all its existence, and, more especially, to extend any protection whatsoever to the labor and industry of the country. It was claimed that Congress could not properly exercise any implied powers, but only such as were expressly conferred upon it by the Constitution, strictly interpreted; and that all powers except the latter, were reserved by the States to themselves, as separate sovereignties. Among these reserved powers—as it was insisted—was the right on the part of a State to decide for itself what laws of the United States it would obey, and what laws it would not obey; in other words, to determine for itself when the national laws were or were not constitutional, and, when they were found not to be so, to pronounce them inoperative, null and void. The sole object of asserting this doctrine at that time was to defeat the policy of the administration in executing the existing tariff laws, and to substitute free trade for protection.

Acting upon this theory, and with these objects in view,

a State convention was assembled in South Carolina which passed an ordinance declaring that the tariff laws of 1828 and 1832 were unconstitutional, and, therefore, null and void; and put the State in the attitude of open resistance to them.* They ordained that these laws were not binding upon the citizens of that State; that it should be considered unlawful for any of the authorities of the State, or of the United States, to enforce the payment of duties under them within the limits of South Carolina; that no appeal should be allowed from the courts of the State to those of the United States in cases involving their validity; that any person attempting such appeal should be held guilty of a contempt of court; and that it was the duty of the Legislature of the State to pass such laws as should become necessary to give full effect to all these provisions. The

* How far the mass of the people of South Carolina were responsible for or approved of these and other proceedings hostile to the Union, may be inferred from the constitutional organization of the State. What is elsewhere called the popular branch of the Legislature — the House of Representatives — was a slave oligarchy, each member being required to own "five hundred acres of land and ten negroes," or land of the value of £150 sterling, clear of debt. Senators were to possess £300 sterling, clear of debt; and the Governor and Lieutenant-Governor each £1,500 sterling, clear of debt. Those who had resided in an election district six months were entitled to vote in that district, but the owner of fifty acres of land could vote in as many districts as he owned that much land in, provided he had lived two years in the State, and could reach the several districts before the polls were closed. In several days' voting one such man could easily manage to cast several votes.

The State government of South Carolina was, in a large degree, removed from and independent of the mass of the people; which, in some measure, accounts for the manner in which the politicians managed its affairs. The latter might not have had the power to do many things they have done, if the present Constitution of the State had existed from the beginning of its history. As it has been, however, they have consulted their own and not the will of the people — have bargained away the electoral vote of the State —and have placed themselves in the van of all those measures which, beginning in nullification culminated in secession, and subordinated the interests of the people to their own ambitious ends.

ordinance, moreover, declared that the people of the State would maintain its provisions at every hazard; that they would regard any act of Congress to abolish or close the ports of the State, or to obstruct the ingress or egress of vessels, or to enforce the tariff laws, except through the courts of the State, "as inconsistent with the longer continuance of South Carolina in the Union"; and that thereafter the people of the State would "hold themselves absolved from all further obligation to maintain or preserve their political connection with the people of the other States," and would organize a separate government, as a sovereign and independent State.

This ordinance was passed in November, 1832—as a protest against the election of General Jackson for the second term. During the same month the Legislature of South Carolina assembled, with the express purpose of providing such measures as were considered necessary in the existing emergency. The Governor, in his message, portrayed, in eloquent terms, the long suffering of the State and the patient forbearance of its people. He declared himself unwilling even to "argue" the propriety of the course adopted by the State, but considered it the duty of the Legislature to pass all such laws as were necessary to carry the ordinance into effect, inasmuch as the State, falling back upon its reserved rights, had appealed to its ulterior sovereignty. In responding to his recommendations the Legislature acted with the utmost promptitude. An act was passed to carry into effect the nullifying ordinance. It provided that where a United States Collector of Customs

seized goods for non-payment of duties, they might be recovered by an action of replevin, and the Collector be imprisoned if he concealed or refused to deliver them; that any person arrested or imprisoned upon a judgment or decree obtained in a United States court, for duties, should have the benefit of the writ of habeas corpus, and an action for damages; that any jailer who received a person committed for the non-payment of duties, or any person who hired his house to be used as such jail, should be fined and imprisoned; and that any person who paid duties to a Collector should be permitted to recover them back in the courts of the State. Another act was passed to the effect that if the Government of the United States undertook to coerce the State into obedience to the tariff laws of 1828 and 1832, which had been pronounced null and void by the ordinance, it should be resisted by the military power of the State; and that in case of any overt act of coercion, or intention to commit the same, by the authorities of the United States, the Governor was authorized to organize a volunteer army for resistance, and to call forth the militia. And all citizens were required to take an oath of allegiance to the State, and were absolved from their allegiance to the United States.

It is more difficult to penetrate the motives of individuals, when acting singly and alone, than it is those of multitudes of men who act in combination, especially when brought into the presence of the results achieved by them. In the matters we are now considering it is plainly manifest that the advocates of the English policy of free trade were

resolutely determined to inaugurate that policy in this country, no matter what disastrous consequences might befall manufacturing industry and all the interests dependent upon it. Although their numbers were yet inconsiderable, their leaders were men of eminent ability, distinguished alike for all the excellencies of private character and conspicuous public service. They were trained statesmen and possessed, in the highest degree, the capacity which fitted them for governing others. They had, besides, the courage to follow out their convictions to the end, and a fervor of enthusiasm which imparted to their eloquence an extraordinary power. Thus they obtained an influence in public affairs which they employed most energetically, without pausing long enough to calculate the fatal consequences even to themselves. Their mistakes followed each other in rapid succession — each one demonstrating their blinded infatuation and folly. That which now concerns us most is their effort to destroy the system of protection, by war upon General Jackson's administration. How that war resulted, and how he maintained the integrity of the national authority, and vindicated his own claim to the public confidence, we shall soon see, in the events which followed the attempt on the part of South Carolina to establish free trade or break up the Union.

CHAPTER XXVIII.

JACKSON RE-AFFIRMS THE PROPRIETY OF PROTECTION—OPPOSED NULLIFICATION—HIS PROCLAMATION AND MESSAGE—HIS CONCILIATORY SPIRIT—PROTECTION MUST BE PRESERVED—REVENUE TO BE REGULATED BY WANTS OF GOVERNMENT—CONCILIATION SCORNFULLY REJECTED.

THE purpose of the nullification proceedings in South Carolina was boldly and courageously avowed. It was to expel the authority of the United States from that State, and to prevent the collection of a single dollar of national revenue in any of its ports. It assumed, as the starting point, that the administration would prove imbecile, and that it only required the exhibition of determined will to bring it into contempt. General Jackson fully comprehended the situation when he said:

"The whole revenue system of the United States, in South Carolina, is obstructed and overthrown; and the Government is absolutely prohibited from collecting any part of the public revenue within the limits of that State. Henceforth not only the citizens of South Carolina and of the United States, but the subjects of foreign States may import any description or quantity of merchandise into the ports of South Carolina, without the payment of any duty whatsoever."

The nullification ordinance which brought about this anomalous condition of affairs was passed almost immediately after the Presidential election of 1832. Whether it would have been passed had the result been otherwise than

it was, it would be only guess-work to say now. But, however this may have been, it is entirely proper to consider it, as heretofore remarked, in the nature of a protest against the election of General Jackson, for whom the State of South Carolina had refused to vote in a manner as marked and offensive as possible. It is not probable that this view of it influenced the official conduct of General Jackson, who, finding in the ordinance and subsequent legislation the announcement of the intention to nullify an important and necessary law of the United States and to disrupt the Union by secession, felt it his duty to assert, without equivocation, and to maintain the national authority. Accordingly, he issued his proclamation of December 10, 1832, wherein he counseled the people of South Carolina against the consequences of their folly, and made a strong and earnest appeal to them in behalf of the Union. This document was preceded, a few days only, by his message of December 4, 1832; and the two, taken together, display a spirit of liberality, conciliation, and forbearance most creditable to his patriotism; but not exhibiting the slightest abatement of his attachment to the Union or of the determination to preserve it unbroken by enforcing the tariff laws. In the message he referred to the fact that $58,000,000 of the public debt would be paid within the period of four years, and that it was so near final extinguishment as to justify a reduction of the revenue "to a considerable extent," so as to bring it down to the measure of true economy and remove as many of the burdens which had caused complaint as possible. His opinions and motives

were fully explained. While he was willing, patriotically, to do everything in his power to allay the excitement which threatened such disastrous consequences to the country as would undoubtedly follow the triumph of nullification and free trade — for they had become inseparable — yet it was impossible for him not to realize that he was the President of the Union and not of a section, and that the alternative presented by South Carolina of "a repeal of all the acts for raising revenue," would leave the Government — as he expressed it — "without the means of support." And it was equally impossible for him, consistently with his official duty and repeatedly avowed opinions, to consent to an abandonment of a policy which all his predecessors had sanctioned and which almost the entire Nation had approved. He thus explained himself in his message:

"Long and patient reflection has strengthened the opinions I have heretofore expressed to Congress on this subject. The soundest maxims of public policy, and the principles upon which our republican institutions are founded, recommend a proper adaptation of the revenue to the expenditure, and they also require that the expenditure shall be limited to what, by an economical administration, shall be consistent with the simplicity of the Government, and necessary to an efficient public service. In effecting this adjustment it is due, in justice to the interests of the different States, and even to the preservation of the Union itself, that the *protection afforded by existing laws* to any branches of the national industry should not exceed what may be necessary to counteract the regulations of foreign nations, and to secure a supply of those articles of manufacture essential to the national independence and safety in time of war."

Herein he made some concession, but he did it from patriotic motives. Instead of continuing to insist that the principle of protection should not be relaxed, although an

annual surplus should be left in the Treasury for distribution among the States, he held out "the olive branch" to the malcontents of the South, with the assurance that he would unite with them in so adjusting the duties that the amount of revenue to be raised should not exceed the expenses of the Government, economically administered. And as explanatory of his purpose in this respect, he proceeded to state that, in his opinion, the duties might be gradually diminished where the protection granted by them exceeds what is indispensably requisite to that end; and the whole scheme of duties be brought to the revenue standard, so soon as it could be done without prejudice to "the large capital invested in establishments of domestic industry." He did not hesitate to declare, however, that he considered "manufactures adequate to the supply of our domestic consumption," as so beneficial to the country that there could be "no American citizen who would not for a while be willing to pay a higher duty for them," rather than see them destroyed. He expressed also the belief that there were very few statesmen who desired "a tariff of high duties, designed for perpetual protection"; that is, for protection without any regard to revenue. The most that was asked, in his opinion, was "temporary and generally incidental protection," which, it was insisted, would reduce "*the price by domestic competition below that of the foreign article*"; a proposition in flat contradiction to the assertion made by anti-tariff men, that the domestic manufacturer invariably increases his prices upon all his fabrics to the extent of the duty upon foreign fabrics. He

admitted that there were some evils attending the system of levying duties which might possibly counterbalance some of the advantages; evidently intending to call the attention of Congress to the necessity of diligently inquiring whether such evils as were found to exist could not be removed, so as to pacify the discontented, and put an end to the existing sectional jealousies which were "dangerous to the stability of the Union." He gave no sanction whatsoever to horizontal duties.

By everything he said he exhibited a disposition to conciliate the people of South Carolina, taking care to do nothing inconsistent with his own official dignity as President of the whole Union. He could not, of course, consent to an abrogation of all duties upon imports, because that would result in direct taxation, as the only means of raising revenue. Yet he was ready, in a conciliatory spirit, to abandon the idea of raising a surplus for distribution, and confine the revenue to an amount necessary for an economical support of the Government. He was disposed to consider revenue as the primary object of duties, and protection as secondary, but, nevertheless, as necessary and indispensable. Consequently, he thus discussed the practical question:

"What then is to be done? Large interests have grown up under the implied pledge of our national legislation, which it would seem a violation of public faith suddenly to abandon. Nothing could justify it but the public safety, which is the supreme law. But those who have vested their capital in manufacturing establishments cannot expect that the people will continue permanently to pay high taxes for their benefit, when the money is not required for any legitimate purpose in the administration of the Government. Is it not enough that the high duties have

been paid as long as the money arising from them could be applied to the common benefit, in the extinguishment of the public debt?

"Those who take an enlarged view of the condition of our country must be satisfied that the policy of protection must be ultimately limited to those articles of domestic manufacture which are indispensable to our safety in time of war. Within this scope, on a reasonable scale, it is recommended by every consideration of patriotism and duty, which will doubtless always secure to it a liberal and efficient support. But beyond this object we have already seen the operation of the system productive of discontent. In some sections of the republic, its influence is deprecated as tending to concentrate wealth into a few hands, and as creating those germs of dependence and vice which in other countries have characterized the existence of monopolies, and proved so destructive of liberty and the general good. A large portion of the people in one section of the republic declares it not only inexpedient on these grounds, but as disturbing the equal relations of property by legislation, and therefore unconstitutional and unjust.

"Doubtless these effects are, in a great degree, exaggerated, and may be ascribed to a mistaken view of the considerations which led to the adoption of the tariff system; but they are nevertheless important in enabling us to review the subject with a thorough knowledge of all its bearings upon the great interests of the republic, and with a determination to dispose of it so that none can with justice complain."

This was an exhibition of commendable frankness; and was manifestly, as already remarked, a concession to the spirit of discontent which then existed. While he considered the main objections to the system of protection as exaggerated, yet he esteemed them of importance enough to be carefully considered by Congress in any subsequent adjustment of duties that might be made. His entire argument is opposed to free trade. Manufacturers who have erected establishments, at large cost, are entitled to rely upon the good faith of the Government—pledged by repeated acts of national legislation—for a proper and just protection of their interests. But they ought not to expect

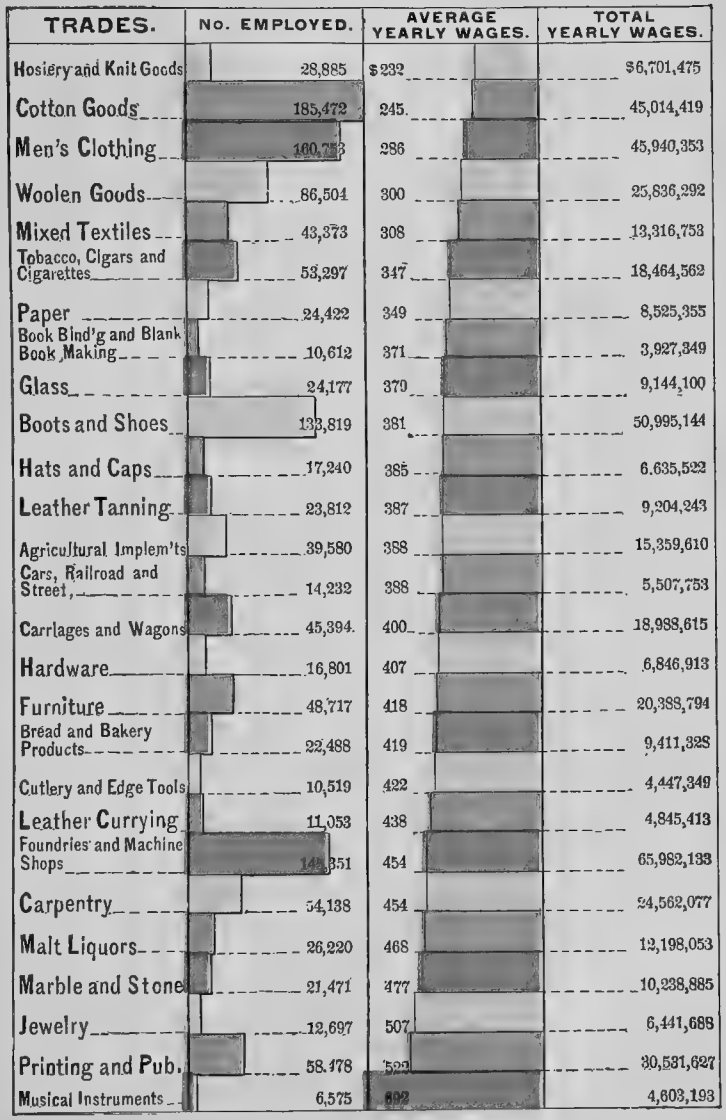
that duties shall be levied for their special benefit, merely for the purpose of raising money when it is not needed for the expenses of the Government. When it is observed that he was considering the question in view of the fact that the public debt was about to be extinguished, and that no increase of duties was necessary on that account, it may readily be inferred that, if such had not been the case, he might have consented to such an increase. Whether he would have done so or not, however, he sufficiently shows that he considered it the duty of Congress to preserve the principle of protection, leaving the amount of duties to be considered, whensoever Congressional action was required, as a question of expediency only. The amount of revenue to be raised was to be regulated by the wants of the Government—and that was the main point upon which he was insisting. Therefore, whatsoever modification of his former opinions he deemed it proper to make, should be considered as having been rendered necessary by the changed posture of public affairs and the agitated condition of the country. His position may be thus summed up: that, in order to regulate the amount of revenue by the actual expenditures and not by the mere benefit to manufacturers, he recognized the necessity of somewhat reducing the duties upon the protected articles ; leaving them to be increased or lowered according to the exigencies of the public service and the necessities of domestic trade and industry. As the Government could not be conducted, even after the extinguishment of the public debt, without revenue derived from duties upon imports, or by direct

taxation—which was utterly impracticable—he had a right to expect that his patriotic concessions would reconcile those who had gone to the extent of bidding defiance to the national authority. It is scarcely necessary to say that he was disappointed. Even his suggestion with reference to incidental protection—to which reference will be made hereafter—was spurned by them, because it stopped short of their ultimatum, which was free trade. To the accomplishment of this, by the absolute repeal of all tariff laws and the total destruction of the principle of protection, they bent all their energies.

AVERAGE YEARLY WAGES

OF THE

ARTISAN CLASSES.



TRADES.	No. EMPLOYED.	AVERAGE YEARLY WAGES.	TOTAL YEARLY WAGES.
Hosiery and Knit Goods	28,885	$232	$6,701,475
Cotton Goods	185,472	245	45,014,419
Men's Clothing	160,733	286	45,940,353
Woolen Goods	86,504	300	25,836,292
Mixed Textiles	43,373	308	13,316,753
Tobacco, Cigars and Cigarettes	53,297	347	18,464,562
Paper	24,422	349	8,525,355
Book Bind'g and Blank Book Making	10,612	371	3,927,349
Glass	24,177	379	9,144,100
Boots and Shoes	133,819	381	50,995,144
Hats and Caps	17,240	385	6.635,522
Leather Tanning	23,812	387	9,204,243
Agricultural Implem'ts	39,580	388	15,359,610
Cars, Railroad and Street,	14,232	388	5,507,753
Carriages and Wagons	45,394	400	18,988,615
Hardware	16,801	407	6,846,913
Furniture	48,717	418	20,388,794
Bread and Bakery Products	22,488	419	9,411,328
Cutlery and Edge Tools	10,519	422	4,447,349
Leather Currying	11,053	438	4,845,413
Foundries and Machine Shops	148,351	454	65,982,133
Carpentry	54,138	454	24,562,077
Malt Liquors	26,220	468	12,198,053
Marble and Stone	21,471	477	10,238,885
Jewelry	12,697	507	6,441,688
Printing and Pub.	58,478	523	30,531,627
Musical Instruments	6,575	692	4,603,193

CHAPTER XXIX.

JACKSON STANDS BY HIS PROCLAMATION—PROTECTION CONSTITUTIONAL—MOTIVES CAN NOT VITIATE A LAW—NOR INEQUALITY—GOVERNOR OF SOUTH CAROLINA ISSUES A PROCLAMATION—HE DENOUNCES JACKSON—SPECIAL MESSAGE OF JACKSON—WILLING TO REDUCE REVENUE, BUT NOT TO ABANDON PROTECTION.

THE generous and conciliatory tone exhibited by General Jackson in his message of December 4, failed to arouse any reciprocating sentiments among those who managed the affairs of South Carolina. It seemed rather to make them more violent and inflammatory. Their conduct bore the appearance of being incited by the belief that they had intimidated the President, and that his liberality was the consequence of fear more than of patriotism. It needed the Proclamation to dispel this illusion; and its eloquent and burning words not only accomplished that object, but went home directly to the heart of every lover of the Union, whether in the North or the South. It vindicated the integrity of the National Government so thoroughly and completely as to take its place at once among the ablest State papers in the public archives.

Among the causes of objection to the tariff laws, the Proclamation sets forth the following: that "although they purport to be laws for raising revenue, they were in reality intended for the protection of manufactures, which purpose

it [the nullifying ordinance] asserts to be unconstitutional."

It took General Jackson but few words to dispose of this objection; and his conclusive argument upon the point has lost none of its force by time — it being as applicable now as it then was, to this frequently reiterated complaint. As he understood it, the power of Congress to lay and collect duties on imports was conceded by it, but the constitutionality of laws passed for that purpose were called in question because of the "motives" of those who passed them. He said:

"However apparent this purpose may be in the present case, nothing can be more dangerous than to admit the position that an unconstitutional purpose, entertained by the members who assent to a law enacted under a constitutional power, shall make that law void; for how is that purpose to be ascertained? Who is to make the scrutiny? How often may bad purposes be falsely imputed? In how many cases are they concealed by false professions? In how many is no declaration of motive made? Admit this doctrine, and you give to the States an unconstitutional right to decide, and every law may be annulled under this pretext."

The assertion that the tariff laws operated unequally—an assertion often repeated now—was disposed of with the same ease and clearness. In his opinion this objection might be made against "every law that has been or can be passed," because "the wisdom of man has not yet contrived a system of taxation that would operate with perfect equality"; and "if the unequal operation of a law makes it unconstitutional, and if all laws of that description may be abrogated by any State for that cause, then indeed is the

Federal Constitution unworthy of the slightest effort for its preservation."

The ordinance of nullification urged as an additional objection to the tariff laws, that it was proposed to raise by them more money than the necessities of the Government required; and that, when thus raised, it would be unconstitutionally disposed of by unauthorized Congressional appropriations. With what exactitude is the same complaint made in our own time! General Jackson made to it this conclusive reply: first, that "the Constitution has given expressly to Congress the right of raising revenue, and of determining the sum the public exigency may require"; and, second, that although this discretionary power may be abused, yet it "must exist somewhere"; and the same may be said of other powers granted to Congress. The objection was shown to be wholly frivolous.

The arguments of General Jackson covered the whole ground of the ordinance and laws of South Carolina. They swept away all the fallacies and sophistry of the advocates of free trade, and placed both the constitutionality and expediency of our protective tariff laws upon a firm and solid foundation. Affirming and maintaining both, he grappled with nullification and secession so vigorously as to commend himself to the people of the United States as the courageous defender of the Union; and his Proclamation will always remain memorable as a clear, eloquent and patriotic exposition of the true relation between the United States and the separate States.

Neither the friendly tone of the message nor the unan-

swerable arguments of the Proclamation had the effect to allay the spirit of discontent among the advocates of free trade in South Carolina. A counter-proclamation was issued by the Governor of that State, openly defying the authority of the United States; and a rendezvous for the enlistment of State troops was opened. The menace of making war upon the Union was upon the eve of being carried into practical execution; and everything betokened an actual collision of arms. The appeal and remonstrance of the President were alike unavailing; it did not seem possible to arrest the storm, or even to abate its fury. As the discontents were resolved to be satisfied with nothing less than an abrogation of the tariff laws and the entire destruction of the principle of protection—and as the President's clemency and forbearance had been madly repelled—there was nothing left for him but to discharge his official duty by seeing that the existing laws were executed. He was willing to see them so changed, by necessary amendments, as to remove whatsoever just causes of complaint should be found to exist; but the attempt to resist them by armed force he regarded as treason. That was a crime against the Constitution, for which the law furnished no peaceful remedy. Yet, he did not act rashly. Every step was taken with the utmost caution and deliberation. He had too much real courage to desire the shedding of blood, and deplored the necessity which would require him to maintain the Union by force. Consequently, on January 16, 1833, he communicated to Congress a special message, calling again the attention of that body to the

condition of the country. In it he stated that he had indulged the hope that his message of December 4, and his Proclamation—by frankly explaining his sentiments, and the nature of the duties the crisis devolved upon him—would have induced the authorities of South Carolina "to retrace their steps." Not having realized this expectation, however, his remaining duty consisted in showing—as he did show—that the misrule and oppression complained of as produced by the tariff laws, existed more in the heated and inflamed imagination of their opponents than in fact. He considered the occasion as requiring him to speak of these laws as follows:

"The long sanction they have received from the proper authorities, and from the people, not less than the unexampled growth and increasing prosperity of so many millions of freemen, attest that no such oppression as would justify or even palliate such a resort [nullification and secession] can be justly imputed to the present policy or past measures of the Federal Government. The same mode of collecting duties, and for the same general objects, which began with the foundation of the Government, and which has conducted this country through its subsequent steps to its present enviable condition of happiness and renown, has not been changed. Taxation and representation—the great principles of the American Revolution—have continually gone hand in hand; and at all times and in every instance, no tax has been imposed without their participation, and in some instances which have been complained of, with the express assent of a part of the representatives of South Carolina in the councils of the Government. Up to the present period, no revenue has been raised beyond the necessary wants of the country and the authorized expenditures of the Government. And as soon as the burden of the public debt is removed, those charged with the administration have promptly recommended a corresponding reduction of the revenue."

It requires but little reflection to perceive the method of reasoning by which these conclusions were arrived at.

The great and controlling question was the amount of revenue to be raised. General Jackson had previously signified his willingness to see a surplus produced for distribution; but his mind was undergoing, or had already undergone, some change upon this subject. The "*log-rolling*" system which prevailed of making up bills for internal improvements to advance the political fortunes of individuals rather than the public welfare, had evidently alarmed him with the apprehension that, unless it were arrested, the old public debt would not long be paid before a new one was created. And, besides, he may have supposed he could foresee that if extravagant appropriations were continued by means of this policy, it might, by possibility, be seized upon as a pretext for extending protecting duties so far as to make them almost, if not entirely, prohibitory, and thus require the deficiency of revenue to be made up by placing a portion of the burden upon the unprotected articles, from which they were then exempt. By this, or some kindred method of reasoning, he reached the conclusion that it would be a safer and better course to regulate the amount of revenue by the actual wants of the Government, inasmuch as the extinguishment of the public debt would remove that cause of expenditure. There were difficulties, of course, in fixing with precision the annual standard of expenditures — as there always have been and always will be. At that time they were steadily increasing, made necessary in some measure by the rapid growth of the country. Along with the other matters contained in the message, this fact was also communicated to Congress,

in order that the discretion, rightfully confided to that body, should be properly exercised in deciding upon the amount of revenue to be raised. The gross expenditures for 1831 were $30,038,446.12, including $14,806,629.48 paid on account of the public debt. Those of 1832 were $34,356,-698.06, including $17,067,747.79 of the public debt. The balance in the Treasury at the close of the latter year was reduced to $2,011,777.55. While this sum was not sufficiently large to justify a distribution among the States, and while General Jackson had been made to doubt the propriety of establishing a permanent system for that purpose, it was evident that he was not then inclined to recommend any considerable diminution of duties and a consequent corresponding decrease in the revenue. As already stated, he was willing to see the tariff modified in a spirit of compromise, so as to accommodate the existing disagreements as far as possible, without an abandonment of the principle of protection ; but did not think it prudent to cut off the resources of the Government so largely as to change the existing surplus into a deficiency. Consequently, we do not find him recommending any important reduction of duties, but contenting himself with counseling Congress not to inaugurate a system of unnecessary and extravagant expenditures. This continued to be his main object, not a word having been employed by him indicating a desire to see the principle of protection abandoned.

The whole question with reference to the tariff laws, and the regulation of duties, was thus placed before Congress. The President had done all in his power and left to

the representatives of the people, where it properly belonged, the exercise of the legislative power in providing some satisfactory plan of adjustment. The difficulties did not seem to be diminishing, as the cotton-planters of South Carolina still declared that there was but one basis of reconciliation — that is, the absolute destruction of the whole system of levying duties — but he wisely invoked the spirit of moderation, and submitted the whole matter to Congress. Why these South Carolina growers of cotton demanded this, and how they expected their peculiar interest to be promoted by free trade, we shall see hereafter.

The Secretary of the Treasury, in his report for that year, expressed the opinion that the reduction of the public debt and the unusually large importations for the years 1831 and 1832, would justify some reduction in the revenue. The amount of reduction suggested by him was $6,000,000, to take effect prospectively after the year 1833. As the estimated receipts from customs for the year was placed at $21,000,000, this left $15,000,000 to be raised by duties, which, with the amounts received from the public lands and other sources, would leave the amount necessary for the current expenses and a surplus of about $6,000,000 for distribution, or to be held for contingencies. The Secretary expressed the further opinion that while the main purpose of taxation under the Constitution was to pay the debts and provide for the common defense and general welfare, yet "this power may and ought to be directly exerted to counteract foreign legislation injurious to our own enterprise, and incidentally to protect our

own industry, more especially those branches 'necessary to preserve within ourselves the means of national defense and independence.'" Like the President, he entertained no desire to see the principle of protection abandoned; but, on the contrary, plainly stated that he did not, and that the diminution of duties proposed by him would not, in his opinion, have that effect. He said:

"In the reduction then recommended, the necessity of adapting the proposed changes to the safety of existing establishments [manufactures] raised up under the auspices of past legislation, and deeply involving the interests of large portions of the Union, *was distinctly recognized*, and it is *still deemed to be not less imperious* in the further changes which may be considered expedient."

He also said:

"To aid American enterprise in every branch of labor, and, by seasonable encouragement, to foster and preserve within ourselves the means of national defense and independence, *led to the protective system in the infancy of* the Government. To counteract the policy and rivalry of foreign nations, and to prevent their prejudicial influence upon American industry; to indemnify the latter against the superior skill and capital, and *cheapness of labor* in older and more experienced countries, and to succor American capital, which the events of the late war [with Great Britain] had devoted to manufacturing employments, recommended an occasional extension of that policy which has been liberally enjoyed by the manufacturing classes since the act of the 4th of July, 1789."

It will be perceived, therefore, that the modified system of duties recommended by the President and the Secretary of the Treasury did not involve the abrogation of the protective principle. In the minds of both, the same causes which led to its introduction in 1789 and had induced its continuance ever since — in the laws of 1816, 1824, 1828,

and 1832, and the amendments made to them, from time to time — still existed, requiring it to be preserved. It was as necessary as it had ever been to foster our industry, to preserve our independence, to develop our resources, to counteract the policy of foreign nations, to enable American industry to procure indemnity against the cheap labor of Europe, and to succor American capital. And realizing all this, they both united in the desire to see a system which had conferred so many benefits, saved from destruction. In their opinion the reduction of duties recommended by them might be made without endangering the protective principle.

CHAPTER XXX.

FORCE BILL PASSED—SOUTH CAROLINA LEGISLATURE ATTACKED JACKSON—PASSED SECESSION RESOLUTIONS—BILL TO MODIFY THE TARIFF—COMPROMISE ACT OF 1833 PASSED—ITS PRINCIPLES—DUTIES REDUCED TO HORIZONTAL STANDARD IN 1842—RECEIPTS FROM CUSTOMS EXCEEDED EXPENDITURES—NO FURTHER REDUCTION IN 1834—RECEIPTS AND EXPENDITURES FOR SEVERAL YEARS—PAYMENT OF PUBLIC DEBT—JACKSON CHANGED HIS OPINION ABOUT SURPLUS—HIS FAREWELL ADDRESS—PROTECTION PRESERVED—WAR UPON HIS POLICY CONTINUED—THREATS OF GOVERNOR McDUFFIE—HE ADVOCATES FREE TRADE.

THE real condition of affairs brought about by the attempt of South Carolina to nullify the tariff laws of 1828 and 1832 cannot be fully portrayed without a discussion which would, in some degree, excite the rancor of party spirit. This is, in no sense, desirable. It would tend to revive passions which have since spent their force in consequences which everybody ought to deplore, and which should remain in oblivion, or if remembered at all, only to be avoided in the future. The present inquiries have no connection with them, and if, in spite of every caution, they will obtrude upon our reflections, we should be careful not to allow them to create anew any sentiment of hostility to the common interests of the whole Union. Nevertheless, there are some facts belonging to those times, without which we can neither understand the tariff legis-

lation of 1833, nor the purposes which Congress intended to be carried out by means of it.

The refusal of South Carolina to suspend operations under her nullifying ordinance and the acts of her Legislature rendered national legislation necessary, with reference to enforcing the collection of duties in the ports of that State. What was known as "*The Force Bill*" was introduced for that purpose, and was immediately accepted as an administration measure. This having been done in response to the Proclamation and the special message of the President, made the issue sharp and direct — so much so that, for a time, reconciliation seemed impossible. The spirit of conciliation which the President had invoked was spurned with indignation by the leading advocates of nullification and free trade. After the Proclamation, the Legislature of South Carolina adopted several resolutions severely denunciatory of General Jackson, and declaring that the State would maintain its position at all hazards. They charged him, directly and as offensively as possible, with an unconstitutional and arrogant effort to utterly destroy liberty, by the establishment of a consolidated government, with all its powers concentrated in the President; with having exhibited "personal feelings and retaliations towards the State of South Carolina" [because she had refused to vote for him for the presidency?]; with having asserted doctrines subversive of the rights of the States, which, if submitted to, would lead to a monarchy; and with having excited their indignation to such a degree that the State was prepared to "repel force by force," and "main-

tain its liberty at all hazards." They asserted the right of secession, and the primary and paramount allegiance due to the State by all its citizens, in these words:

"*Resolved*, That each State of this Union has the right, whenever it may deem such course necessary for the preservation of its liberty, or vital interest, to secede peaceably from the Union; and that there is no constitutional power in the General Government, much less in the Executive Department of that Government, to retain by force such State in the Union.

"*Resolved*, That the primary and paramount allegiance of the citizens of this State, native or adopted, is of right due to this State."

The severe and impassioned attack upon General Jackson, personally and officially, and upon his administration, did not, in the least, disturb his composure. He was too strong in the integrity of his purpose to suffer discomfiture. But when the foregoing resolutions were communicated to the public the most intense excitement was produced. Indicating as they did—interpreted in the light of the Ordinance and Acts of the Legislature—a determination either to destroy the tariff or break up the Union, unless it could be held together by force, they led to angry and threatening discussions, in and out of Congress. This tended to increase the general alarm, and to show that, unless some plan should be adopted to heal the breach so unwisely and unpatriotically made, and which was widening every day, the country was in imminent danger of being plunged into a civil war. Patriotic appeals for the Union, however eloquent, seemed mere idle declamation, while such hot and embittered passions were raging.

The Committee of Ways and Means in the House of

Representatives, in order to meet the exigency, reported a bill somewhat modifying the tariff law of 1832. It provided for a revenue of $15,000,000 a year, as recommended by the Secretary of the Treasury. This, with $2,500,000, the estimated annual proceeds of the public lands, was supposed to be sufficient to carry on the Government, if administered upon proper principles of economy, as the public debt was then nearly all paid. The bill was so arranged as to make it conform with the law of 1816, and a supplementary law of 1818, in relation to the unprotected articles, in order that the free list could be increased from time to time as the necessities of the Treasury might require. But as it regarded the protected articles they were provided for upon the same principle as that embodied in the laws of 1816 and 1824; the duties, however, being reduced to correspond with the proposed reduction of revenue. But it was not intended to sacrifice the principle of protection by this reduction of duties, nor to produce a horizontal standard. The duties on silks were raised; and teas, which had been made free by the act of 1832, had a duty of twenty per cent levied upon them, in order to provide against a possible decline in the revenue from other articles. The entire plan of the law of 1816 was arranged, in the opinion of the Committee, for "the preservation, during a violent transition from war to peace, of the numerous manufactures that had grown up under the double duties, and the practical prohibition of the embargo, the non-intercourse, and the war with Great Britain"; and as, in their opinion, also, the increase of manufactures between 1816

and 1824, had been invited by the protection afforded by that law, and new investments of capital had been made under it, it was not considered expedient to abandon them by a surrender of the protective policy.

This was an administration measure—prepared in the kindly spirit which General Jackson had exhibited. But it was a long way from free trade; and, therefore, did not satisfy the representatives of South Carolina, and the few other opponents of protection, who were then beginning to range themselves under their lead. They intended that the issue should involve the absolute destruction of all tariff laws, without compromise or modification; an entire abrogation of the mode of collecting revenue which had constantly prevailed from the beginning of the Government. Nothing besides free trade would pacify them. Consequently, it was evident that unless something were done by way of concession, the most disastrous consequences were threatened. But it is unnecessary now to trace this fierce controversy through its various stages, inasmuch as it would only show the pertinacity and ability with which the contestants maintained their respective theories. It is not required by any present purpose to go beyond the fact that, in the end, patriotic concessions were made by the friends of protection in order to perpetuate the peace of the Union, and that the result was the passage of the Compromise Act of 1833.

That act was simple in its provisions, and looked, for the first time in our history, to an ultimate horizontal rate of duties, at twenty per cent *ad valorem*, upon all the pro-

tected articles, after the year 1842. Where the duties then exceeded that, one-tenth of the excess was to be deducted at the end of the year 1835; one-tenth at the end of 1837; one-tenth at the end of 1839; one-half of the residue from and after the end of 1841; and from and after June 31, 1842, the remaining half.

Mr. Clay was the author of this bill and presented it, not because it fully expressed his own views, but because he considered it the best that could be done under existing circumstances, to pacify the country. He preferred that to any personal triumph, and urged the adoption of the measure in that spirit alone. It encountered opposition from some of the leading friends of protection, notably Mr. Webster, upon the ground that it endangered the existence of that principle, and went too far in the direction of free trade. But Mr. Clay defended himself against this imputation, by saying, with reference to protection, that "he had cherished this system as a favorite child, and he still clung to it, and should still cling to it." Then explaining that his only motive was to preserve the Union and thereby to arrest the course of those whose hands were "uplifted to destroy the system" [of protection], he continued:

"He felt himself pained exceedingly in being obliged to separate on the question from valued friends, especially from his friend from Massachusetts [Mr. Webster], whom he had always respected, and whom he still respected. He then replied to the argument founded on the idea that the protective principle had been abandoned by this bill. He admitted that protection had been better secured by former bills, but *there was no surrender by this.* He considered revenue as the first object, and protection as the second. As to the reduction of the revenue, he was of opinion that there was an error in the calculation of gentlemen. He

thought that in the article of silks alone there would be a considerable reduction. The protection to the mechanic arts was only reduced, by the whole operation of the bill, to twenty-six per cent; and he did not know that there would be any just ground of complaint, as some of the mechanic arts now enjoy only twenty-five per cent. * * * * He would say, save the country — save the Union — and save the American system."

The success of all tariff laws, in so far as revenue is concerned, necessarily depends upon the extent of importations. The customs receipts of one year can only furnish a rule by which an approximate estimate for the next may be made. Calculated upon the basis of the importations of 1831 and 1832, it was supposed, at the passage of the law of 1833, that it would supply revenue enough, at least, for the year 1834, and, possibly, for the whole period up to 1842, when the whole duties would be reduced to twenty per cent. At most, however, it was an experiment, the effect of which had to be thereafter determined.

The customs receipts were derived from the duties levied by the law of 1832, until after the close of the year 1835, when the first ten per cent of the excess over twenty was to be deducted. Thus the law of 1832 continued practically to operate until the last year of General Jackson's administration. In his message of December 3, 1833, he stated the revenue from customs for that year to be more than $28,000,000, while the net expenditures did not amount to quite $23,000,000. This, however, could not be taken as an indication of the amount of revenue that could be relied on for the ensuing year, as the importations would necessarily fluctuate somewhat. Besides, the shortened

credits on revenue bonds, and the cash duties on woolens, caused considerable sums to be paid, which otherwise would not have reached the Treasury until a subsequent year. In consequence, it was considered reasonably evident that the receipts for the year 1834 would be less than those of the previous year; and it was estimated that the reduction would continue, in consequence of diminished duties, so that there would be barely enough revenue for the next year to pay the small balance of the public debt and the ordinary expenses of the Government. Therefore, the President declined to recommend any further reduction of duties, preferring to let the Compromise Act of 1833 have a fair trial. He said:

"I cannot, therefore, recommend to you any alteration in the present rate of duties. The rate, as now fixed by law, on the various articles, was adopted at the last session of Congress, as a matter of compromise, with unusual unanimity, and, unless it is found to produce more than the necessities of the Government call for, there would seem to be no reason, at this time, to justify a change."

He considered that the times constituted "a new era" in the affairs of the Government, and that Congress should abstain from all appropriations of money not absolutely required by the public interests, so that, after the last of the public debt should be paid — the time for which was rapidly approaching — the utmost economy should be practiced to bring down the expenditures to the lowest standard. That object was, in his estimation, of primary consideration, not merely because it was necessary and desirable in itself, but because of the uncertainty with regard to the amount of revenue to be expected under the operation of the new

law of 1833, after the reduction of duties should begin. It was easy to foresee that an extravagant expenditure and a diminishing revenue would begin the creation of a new debt immediately after the payment of the old one.

The balance in the Treasury at the close of the year 1833 was $11,702,905.31, which put it in the power of the Government to pass through the next year without difficulty, even if the accruing revenue should fall short. The President did not, in his message of 1834, state the receipts from customs, but, from all sources, the revenue was $20,624,777, which, added to the above balance, made $32,327,623, as the total amount available for the year. The total expenditures were estimated at $25,591,390, including the payment on the public debt, which it was supposed would, by January 1, 1835, reduce the balance in the Treasury to $6,736,232, including a balance of $1,150,000 which was not available. The net ordinary expenditures for the year were $18,425,417.25, which was $4,288,337.86 less than the previous year. But, in point of fact, the revenue from customs fell off considerably. In 1833 it was $29,032,528.91, whereas in 1834 it was only $16,214,957.45, a falling off of $12,817,561.46 in one year. And thus it appears that the receipts from customs were not sufficient to pay the net ordinary expenses of 1833; and, but for the balance in the Treasury and the receipts from other sources, including $3,967,682.55 from the public lands, there would have been a deficiency and no means of paying any part of the public debt. At all events, it was beginning to become

apparent that, if the Government had, in the future, no other resource than the revenue from customs, the receipts from public lands, and the small internal revenue then provided for, the time might arrive, in a few years — as, in fact, it did — when it would be greatly embarrassed, unless the expenditures were reduced greatly below what they had hitherto been. The President seemed convinced of this, as may be inferred from the earnestness with which he dwelt upon the necessity of the most rigid economy.

The net ordinary expenditures for the year 1835 were reduced to $17,514,950.28, and the revenue from customs increased to $19,391,310.50. But the enormous receipts from public lands — being $14,757,600.75 — swelled the gross receipts to an amount greater than they had ever been since the war with Great Britain. And thus it will be seen that the receipts from customs for that year somewhat exceeded the net expenses. In the message of that year the President communicated the fact that the public debt had been extinguished, and accompanied the announcement with the statement that the estimates for the year were about $24,000,000 ; which, in his opinion, could be provided for by existing laws, with a probability that there would be a surplus of about $11,000,000 at the end of the year, "to be applied to any new object which Congress may designate, or to the more rapid execution of the works in progress." He also thought that the receipts for 1836 would exceed, by $20,000,000, those of 1835. Under these flattering and favorable circumstances, he declined to recommend any change in the tariff, although he considered it

probable that, by 1842, there would be "a very considerable deduction"—a prediction fully verified.

In the year 1836—the last of General Jackson's administration—the receipts from customs increased to $23,409,940.53, and those from the public lands to the unprecedented amount of $24,877,179.86. The net ordinary expenditures for the year were also increased to $30,868,-164.04. But for the receipts from the public lands—occasioned by the rapid settlement of the West and Northwest—that is, if the Government had been compelled to rely alone upon customs, there would have been a deficiency at the end of the year. As it was, however, there was a surplus at the end of the year of $46,708,436, which, of course, included the previous balances brought forward from year to year. This large surplus was produced almost exclusively by the sales of the public lands, as in two years—1835 and 1836—there was received into the Treasury from that source alone the enormous amount of $39,634,780.61. A continuance of this state of things could not, of course, be expected, and, therefore, it was evident that the Government could not safely rely upon any other permanent means of support than the revenue from customs. And, in order that this resource might not be cut off, the President again declined to recommend a reduction of the duties.

General Jackson thought that the favorable condition of affairs at the close of his administration justified the belief "that there will continue to be a surplus beyond the wants of the Government." Of course, this belief was based, in

some degree, upon the prospective receipts from the sale of public lands. But, in whatsoever way the surplus should be produced, he frankly stated that his mind had undergone a change with reference to the propriety of a general policy, to be established for the purpose of producing it, in order for distribution among the States. Upon this subject he said:

"Without desiring to conceal that the experience and observation of the last two years have operated a partial change in my views upon this interesting subject, it is nevertheless regretted that the suggestions made by me in my annual messages of 1829 and 1830 have been greatly misunderstood."

Alluding also to his former suggestion that the Constitution be amended so as to allow the surplus to be distributed for internal improvements, he continued:

"As already intimated, my views have undergone a change so far as to be convinced that no alteration of the Constitution in this respect is wise or expedient."

Under all the circumstances, therefore, which attended the close of his administration, General Jackson felt himself justified in congratulating the country upon the condition of the public finances; and in admonishing Congress to make such appropriations only as were absolutely necessary for the public service. He found the revenue sufficient for the support of the Government, when he became President, and left it in the same condition at the end of his term of service. He was elected as the friend of protection and continued so to the end—leaving the principle still existing and in operation, although somewhat endangered by the

"Compromise Act" of 1833. In his "Farewell Address," he cautioned the country against levying excessive duties for the sole purpose of raising money for unconstitutional purposes. But neither there nor elsewhere did he express any desire to see the principle of protection abandoned, where the duties were levied for the amount of revenue demanded by the public service. Nor did he do a single thing or utter a single word in the least degree favoring free trade. On the contrary, all that he did and said, exhibited his opposition to free trade and an earnest desire to see the principle of protection preserved.

But as his administration approached its close, the friends of free trade — who still supported their theory by threats of nullification — became more consolidated in their struggle for success. They were not disposed to yield, manifestly hoping that after his retirement they would have to deal with those more easily alarmed by their violence and vindictiveness. Their sole object was free trade, which they resolutely determined to obtain; peaceably if they could, but if not, by a disruption of the Union, notwithstanding General Jackson's equally resolute determination that they should not. There was not the slightest effort at concealment or evasion in the avowal of this purpose; and it was announced in such a way as to assure all aspiring politicians that whosoever expected thereafter to obtain the support of the defenders of free trade and nullification, must prepare to accept its dictation with humiliating obedience. Mr. McDuffie, being elected Governor of South Carolina, availed himself of the occasion of his inaugural address to

declare, in the face of General Jackson's repeated declarations to the contrary, and in flagrant resistance to the doctrines of his Proclamation that "the entire legislation of Congress," with reference to the tariff, "has been a war of communities against communities, carried on by making unjust and unconstitutional laws, instead of fighting hazardous and bloody battles." And in order to stir the smoldering embers of passion into a flame—notwithstanding the professed acceptance of the Compromise Act of 1833—he endeavored to create in the cotton-growing section the belief that it was impossible for the North and the South to remain together in harmony, and that their interests were so distinct and hostile that separation was not only inevitable but desirable. It did not appear possible to him that the South could longer submit quietly to the tyranny and oppression of the Union. He thus expressed himself:

"However they may be amalgamated in the crucible of *an executive proclamation* or of speculative theory, history bears testimony that the States are, in point of fact, distinct and separate communities, mutually independent of each other, and each possessing the inherent and underived attribute of sovereignty. Not only are they separated geographically, and by a distinct and independent political organization, but they are still more practically separated by the diversity of their staple productions, creating *a direct and irreconcilable conflict of interest between the exporting and the manufacturing States, as decided as ever existed between any two independent nations, ancient or modern.* It is, for example, the undoubted interest, as it is the sacred right of the planting States, to exchange their staples for the manufactures of Europe, *free from every obstruction or incumbrance.*"

Then charging that the National Government had "already passed through the first stages of its progress to military despotism," in the policy of General Jackson's

administration — he made his attack upon that policy more specific and emphatic, in these words:

"Such, gentlemen, is the true practical character of a Government, the Chief Magistrate of which has solemnly and officially denied that the States are sovereign, and attempted to dissipate their sovereignty as he would disperse an unlawful assembly—by the potent energy of a Proclamation."

Thus the free trade party appealed from the legislation of Congress and the Proclamation of General Jackson, to what they chose to call a higher tribunal — the sovereign right of the States to humiliate the National Government by the nullification of its laws. And Governor McDuffie, in arguing that appeal as the leading champion of the cause, boldly laid down the proposition that whosoever, in South Carolina, should be found in arms against the State, aiding in the enforcement of the tariff laws of the Union, within its borders, and after the State had taken steps to nullify them, "would be guilty of treason" against the State!

The importance of this vehement resistance to the authority of the Government and the administration of General Jackson, will become apparent hereafter, when further steps in the prosecution of the movement towards free trade are brought into view. Then the most intelligent and thoughtful minds of the present day will find much food for reflection in inquiring how the nullifying influences which were thus employed to resist the Union became, in the end, so absolutely controlling in national affairs as to secure the election of a free trade President, in the person of Mr. Polk, thereby obtaining possession of the Government, dictating its policy, and procuring the passage of the tariff laws of

1846 and 1857, by means of which the revenue became insufficient to carry on the Government, and the Treasury became almost bankrupt. How such an appeal from the policy of General Jackson was made thus successful, will, perhaps, remain forever one of those political mysteries which cannot be unraveled. Our present concern is with the fruits it produced, not with the methods employed by the chief actors, who, whatever else we may think or say of them, command our respect on account of the wonderful ability they displayed. They managed men as the skilled equestrian does his horse.

CHAPTER XXXI.

COMPROMISE ACT OF 1833 A PEACE MEASURE—IT IMPERILED PROTECTION—FAILED AS A REVENUE MEASURE—VAN BUREN PRESIDENT IN 1837—BUSINESS DERANGED—REVENUE DECLINING—EXTRA SESSION OF CONGRESS—EXPENDITURES EXCEED RECEIPTS—VAN BUREN LOOKED TO COTTON FOR RELIEF—HIS MISTAKE—HE ENCOURAGED FREE TRADE—HE RECEIVED THE VOTE OF SOUTH CAROLINA—CONDITION OF TREASURY—VAN BUREN'S MISTAKES DEFEATED HIM IN 1840.

THE compromise tariff of 1833 was intended by Mr. Clay, its author, by its supporters in Congress, and by General Jackson, who approved it, as a peace measure—an offering upon the altar of the Union, which was seriously threatened by the sectionalism incited by the cotton-growers of South Carolina and their sympathizers in other parts of the South. Looked at in this sense, its passage may be considered as a concession to the advocates of free trade that their intentions were honest enough to entitle them to conciliatory treatment, notwithstanding their attempt to nullify the tariff laws of 1828 and 1832, and their inflammatory threats to secede from the Union and destroy it. This admits as much as can be rightfully conceded to such mad and dangerous fanaticism; and all are not ready to go even this far, when the calamities which their teachings have brought upon the whole country and their own section, are taken into view. At all events, the adoption

of the measure was placed upon that ground by its supporters at the time the act was passed; and upon that ground alone can it now find justification. While, as Mr. Clay remarked, it was not designed to abandon, and, in point of fact, did not entirely abandon the principle of protection, yet it undoubtedly placed it in serious peril. This, of course, was not foreseen, but it was demonstrated by the results which soon followed — as effect follows cause. That it was a failure as a revenue measure, is beyond question. The proof upon this subject is sufficient to show that, if its principles were made permanent, the Government would be left without the necessary means of support, no matter what degree of economy might be practiced.

The effects of this unwise legislation were not sensibly felt during General Jackson's administration. They were certainly not anticipated by him — any more than by Mr. Clay and those advocates of protection who acted with him — or he would not have approved the act of June 23, 1836, which deposited with the States nearly $40,000,000 of surplus revenue. The administration of Mr. Van Buren was, however, compelled to encounter them very soon after its commencement. By that time the policy of the Government had forced the banks to a suspension of specie payments, which locked up in their vaults large sums of the public money which had been deposited with them by the Government — the revenues from both customs and the public lands had fallen off materially, and the deranged condition of our domestic and foreign commerce had inflicted serious injury upon all business pursuits.

Mr. Van Buren entered upon the Presidency March 4, 1837, and found himself constrained, by the foregoing considerations, to convene Congress in extra session in September of that year — the exigency being so great that he could not await the meeting of the regular session in December. His object was to have Congress provide some measure of relief for the general financial embarrassment which pervaded all sections of the country, and reached, directly or indirectly, every class of business; besides lowering the wages of labor almost down to a standard which threatened skilled and unskilled laborers with starvation. In his special message to Congress he endeavored to account for this ruinous condition of affairs by assigning it alone to the action of the banks in suspending the payment of specie for their circulation. It is manifest now, however, that in this his vision was too much contracted by the necessities he had allowed to grow up around his administration, either from his own misguided judgment or the evil counsel of others whom he trusted too far. He failed to see, or, if he saw, failed to understand fully, the effects properly attributable to the fact that the Secretary of the Treasury, under General Jackson's administration, had permitted the "pet banks" to base an increase of circulation upon the deposits of the public money, so that activity should be given to business by an exorbitant increase of currency. But, most of all, he failed to realize the consequences which followed the great revulsion in manufacturing operations, induced by the threatened withdrawal of the Government protection, immediately following the

measures which had excited undue speculation and over-trading all over the country. Seemingly unwilling or unable to understand the legitimate fruits of the policy which had led to these results, and yet conscious of the impossibility, because of his unfortunate surroundings, of furnishing relief by any executive measures, he found himself compelled to declare that "all communities are apt to look to Government for too much!" This doleful utterance was equivalent to saying that although the people of the United States have entrusted to the National Government the exclusive management of national affairs, yet, when these become so embarrassed as to inflict injury upon domestic industry, they should seek relief from some other source — either from State legislation, or from themselves — without the aid of any national legislation whatsoever.

But there were aspects of the existing state of affairs, which Mr. Van Buren could not fail to observe, especially the fact that the revenues were rapidly declining. The Secretary of the Treasury, in his report in December, 1836 — the last year of General Jackson's administration — had estimated that the current receipts in the Treasury would fall short of the expenditures for that year about $3,000,000. As this declension was steadily continuing, Mr. Van Buren, in his message, declared it to be then demonstrated "that the difference will be much greater" — how much he did not estimate. He, very properly, attributed this to the general pecuniary embarrassments, which had occasioned the decrease in the revenue; but, at the same time, endeavored to throw the responsibility upon Congress, on

account of appropriations which exceeded, nearly $6,000,000, the estimates of the Treasury Department. And he could see no other remedy than to withhold the balance due to the States under the Distribution Act, which then exceeded $9,000,000. This he considered preferable to either an increase of taxation—which he greatly feared—or raising money by a public loan.

It has been shown, by subsequent events, that the questions then pending were of greater magnitude than Mr. Van Buren then supposed; and, therefore, that he did not fully comprehend the true import of the combined influences which had produced a declining revenue and the consequent embarrassed condition of the Treasury. He dreaded the effect of "increased taxation" upon his administration—apparently unconscious of the fact that the pecuniary embarrassment of the Government was mainly attributable to the decline of customs duties below the proper point of protection, which had paralyzed manufacturing enterprise, diminished the value of labor, lessened the demand for agricultural products, and occasioned a falling off of both exports and imports. It may have been that he closed his eyes to these considerations on account of the belief that the Compromise Tariff Act of 1833 was irrevocable, as the advocates of free trade insisted, or, he may have supposed that its provisions could not be interfered with until the effect of a horizontal scale of duties was satisfactorily tested by trial. In whatsoever way he may have reasoned, he failed to trace the financial difficulty to its real source, or to account for the falling off of the revenue.

If he had not suffered himself to be misled, he would have seen that the declining scale of duties under the act of 1833, by impairing the operations of manufacturers and lessening the wages of labor, had rendered the existing derangement of business inevitable. He would then have been able to grapple with the difficulty, instead of being alarmed by it.

Failing, however, to learn executive wisdom by the "logic of events," Mr. Van Buren consoled himself with the reflection, that, as "the difficulties and distresses of the times" had arisen, "in a great degree, from the transactions of foreign and domestic commerce," they had "chiefly fallen" upon the country while our "great agricultural interest has, in many parts of the country, suffered comparatively little." By this he did not mean the general agricultural interest, but that special form which existed in the cotton-growing sections; for he proceeded to say that "the proceeds of our great staple [cotton] will soon furnish the means of liquidating debts at home and abroad, and contribute equally to the revival of commercial activity and the restoration of commercial credit." Here he fell into the additional error of ignoring the important fact that our other great agricultural staples are of equal consequence, and contribute as essentially to provide the means of public prosperity as the single article of cotton, notwithstanding its immense value and importance. Therefore, when he exhibited a disposition to place the latter at the head of our agricultural interests, and to assign to it the chief — almost the entire — agency in furnishing financial

relief, he caused his fidelity to the principle of protection to be suspected, and an apprehension in the Northern, Middle and Western States, that he cherished the ulterior purpose of putting his administration in the power and under the direction of the free-trade faction of the South, who were then preparing to accomplish their ends through the agency of a tariff for revenue alone. His administration dragged along so heavily, and the difficulties he encountered grew so rapidly upon him, that he found it impossible to eradicate this impression, and the result of the presidential election in 1840 evidenced that, by that time, it had ripened into a settled conviction. He then received the electoral vote of South Carolina, which had been contemptuously withheld from General Jackson in 1832, and from himself in 1836,* while of the Northern, Middle and Western States he received the votes of only two — New Hampshire and Illinois — and these only by an aggregate majority of about 8,000 popular votes — and only sixty electoral votes in all, out of two hundred and ninety-four. The supporters of

* When the Legislature of South Carolina cast the electoral vote of that State for Mr. Van Buren, no steps had been taken towards receding from opposition to the policy of General Jackson's administration, or from the doctrine of nullification. On the contrary, the Constitution had been amended so as to make allegiance to the State paramount to that to the Union. The original Constitution provided that all State officers should swear to "preserve, protect and defend the Constitution of the State and of the United States." But in 1834, after General Jackson's Proclamation, and after the Compromise Act of 1833 had been passed, the Constitution was amended so as to prepare for future contingencies, whensoever it should become necessary to revive the attempt to nullify the laws of the United States. By this amendment all officers were required to swear that they would "be faithful, and true allegiance bear to the State of South Carolina," in addition to what the old Constitution required. It is not to be supposed that the nullifiers of that State voted for Van Buren in 1840, or for Polk in 1844, unless they believed that the cause of free trade would be promoted thereby.

free trade had been able, thus far, to make but little serious impression upon the Southern mind, outside of South Carolina, but they were not discouraged. They seem to have foreseen events that afterwards transpired, and were wise enough to know that if they could succeed in fanning the flame of discord between the sections, they might, by that means, so divide the North, Center and West as to secure the final triumph of free trade. There have been few periods in our history when operations of this kind could be carried on with fairer prospects of success than under Mr. Van Buren's administration. His utter incapacity to "tread in the footsteps of his immediate predecessor," and his indecision with regard to measures of relief, made him an easy victim to the wiles of those who had entered upon a violent crusade against protection. We, accordingly, find him the first President, since the beginning of the Government, whose messages have omitted to enforce the necessity of protecting industry. And it is easy now to see, in the light of subsequent events, that his mistaken policy of avoiding measures which had been shown, by past experience, to be necessary to the public prosperity, not only led to the overthrow of his administration, but to other consequences which ought to stand as a perpetual warning against sectionalism. Everything he said and did satisfied the country that he did not assign its financial embarrassments to the true cause, and that therefore he was incompetent to conduct the Government through such a crisis. The American people have always shown themselves competent — by both reason and instinct

— to judge correctly of public questions; and if they do sometimes unintentionally err, are sure, in the end, to get right again.

The supposition that the Compromise Act of 1833 had necessarily to stand until all the duties reached a horizontal scale of twenty per cent, whatsoever the consequences to the Treasury, was a fatal mistake on the part of Mr. Van Buren's administration. Like all public statutes, it was subject to change, modification or repeal, when the public welfare demanded it. It was called a "compromise" because it was a concession to those who were threatening the peace of the Union. But no authority existed anywhere to attach to it the character of inviolability. One Congress cannot bind another upon the subject matter to which its provisions related. Under our form of institutions public laws exist only so long as it is the will of the people they shall do so. It is true, that the duties fixed by this act, were to continue upon a declining scale until they reached a minimum, on June 30, 1842. And there were other features which were, by its terms, to remain in force after that time; such as the abolition of credits at the custom houses and the collection of duties in cash; the limit of the revenue to the amount required by an economical administration of the Government; and the principle of home valuation. But none of these provisions, although right and proper, were irrevocable, any more than were the rates of duties. Congress had full authority to alter or repeal the entire law. In this respect it was like all other laws. The friends of free trade talked about the sacredness of the "compromise," and

declared that they should regard it as an act of bad faith, on the part of the Government, if any of its provisions were violated. They made all sorts of threats about what might be expected if the law were not adhered to; and Mr. Van Buren, wanting the courage of General Jackson, committed the serious blunder of assenting to their demands and shaping the policy of his administration in obedience to them. It caused him to carry a load, under the weight of which he staggered along for four years, with financial difficulties accumulating at every step; with the revenue falling short of the expenditures; with a resort to the expedient of issuing Treasury notes to carry on the Government—until, at the close of his single term, he left the Treasury empty—approaching bankruptcy more nearly and rapidly than ever before. Whereas, if he had so comprehended the real condition of affairs, as to have seen—what must have been afterwards apparent to him—that the existing financial troubles were rightfully attributable, not alone to the conduct of the banks and their suspension of specie payments, but to the derangement of all the industries of the country, occasioned by the threatened withdrawal of protection under the "compromise" tariff, he might have occupied in history a far different position than that now assigned to him.

During the last year of General Jackson's administration, the receipts in the Treasury, from all sources, amounted to $47,691,898; and on January 1, 1837—only about sixty days before Mr. Van Buren took the Presidential office—the balance was $45,968,523. During the first year of the latter's administration, the receipts, from all sources, were

$23,499,981 ; and if the foregoing balance had been actual and not merely nominal, he could have gone through the year without difficulty. The results, as shown by the books of the Treasury, were misleading; and he tried hard to arrange the figures so as to make them promise as favorably as possible. The stubborn fact was that the balance on January 1, 1837, and the receipts of the current year, made the aggregate sum of $69,468,504; and it required some ciphering, as well as ingenuity, to show why the Government could not get along with so large a balance. The explanation was that it would require $35,282,361 to cover appropriations made by Congress, for which he was not disposed that the administration should be held responsible. Nevertheless, it was a public expenditure and had to be provided for out of the general balance, but would still leave, on January 1, 1838, an estimated balance of $34,187,143. He explained this as merely nominal, and therefore not available; in other words, that the balance struck upon the Treasury books did not indicate the actual means of carrying the Government through the year. It was made up, by the amount of surplus revenue deposited with the States, by the Act of June 23, 1836, and the amount due from the deposit banks; neither of which could be made available, inasmuch as the States had not the least intention of paying back what they had received, and the banks were unable. As these amounts aggregated $33,101,645, there was left only $1,085,498 as the sum actually available for the expenses of the year. Consequently, the best that Mr. Van Buren could do was to close his eyes to

the true sources of embarrassment, both to the country and the Government, and to suggest that the administration might get through the year if, in addition to the ordinary receipts, Congress would authorize $4,500,000 of Treasury notes to be issued—a simple form of borrowing that much money. And in his perplexity he was forced to declare that, in consequence of the "unexpected fluctuations to which the revenue is subjected, it is not possible to compute the receipts beforehand with great certainty"; thus conceding the rapid decline in the receipts from customs, and the uncertainty of relying upon the Compromise Act of 1833, which was then in force, and under which the duties had begun to go down to the horizontal standard.

Why these "unexpected fluctuations" in the revenue from customs, to which Mr. Van Buren alluded? Manifestly, because manufacturing enterprise had been checked by the threatening attitude of the Government, under the Act of 1833; which materially lessened our home markets, rendered all values uncertain, left labor without proper reward, the products of agriculture rotting in barns of the producers, and importations declining. Certainly, the fact that only $1,085,498, out of so large a nominal balance, was actually available for the year 1838, made a bad showing; especially as the imports from which revenue had to be raised had decreased from $176,579,154 in 1836 to $130,472,803 in 1837; and were still further declining and did actually decline in 1838 to $95,970,288; showing a total declension of $80,608,866 in two years. As these consequences were produced by causes other than those which

Mr. Van Buren was willing to concede—because he was held so tightly in the grasp of those who persuaded him that cotton would become the chief factor in affording relief—he, either from an infatuation difficult to understand, or a want of the firmness displayed by General Jackson, in dealing with the same men, found himself at every step sinking deeper and deeper into trouble.

The fiscal affairs of the Government grew worse and worse every year. The available balance in the Treasury on January 1, 1839, was only $2,765,342, exceeding that of the former year only $679,744. The receipts from all sources, including public lands, was $20,615,598. Treasury notes, amounting in principal and interest to about $8,000,000, were issued, and $2,254,871 were received for the sale of bonds of the Bank of the United States. This made the whole available means for the year $33,635,811. The expenditures were $39,455,438, or $5,819,627 more than the receipts. It was consequently impossible to get along without issuing Treasury notes and retaining the balance of over $9,000,000, which had been deposited with the States. The policy of Mr. Van Buren, therefore, tended to increase rather than diminish the embarrassment. And it is difficult to imagine how he became insensible to this himself, when he was compelled to admit, as he did in his third message, that "independent of the redemption of the public debt and trusts, the gross expenditures of seventeen and eighteen millions in 1834 and 1835, had swelled to $29,000,000 in 1836, and the appropriations for 1837, made previous to the 4th of March, caused the expenditures to

rise to the very large amount of $33,000,000" — thus showing that the expenditures were increasing while the revenue was diminishing.

It is not intended by these references to arraign the administration of Mr. Van Buren on the score of extravagance in the expenditures. The purpose in referring to them is entirely different—that is, to show how fatal was his mistake, in attempting to carry on the Government when the expenditures were in excess of the revenue, without realizing that it was his duty to maintain the principle of protection, to which everyone of his predecessors had given the most solemn sanction, rather than heed the demands of those who were striving to force the Government to adopt the heresy of free trade, at the expense of the revenue as well as all home industries. "An ounce of prevention is worth a pound of cure"; and but for the unfortunate complications which he allowed to environ him, he might have applied a preventive in time to save the Treasury from impending bankruptcy and his own administration from the doom which, in the end, befell it. As it was, he ended his official life with a mere general reference to the "great and protracted reduction of the revenue," and turned the Government over to his successor with no more money in the Treasury than could be counted in a few hours. On January 1, 1840, there was on hand only $1,500,000, which was considerably diminished by the beginning of the new administration, March 4, 1841; so that, at that time, the operations of the Government were hedged about by rapidly increasing financial difficulties.

The Treasury was never before, in all the history of the Government, in so embarrassed a condition. Even after the lapse of more than forty years, it is still a cause of wonder that it was allowed to drift into it, without any apparent effort at relief, and from the single motive of enabling the producers of cotton to bring about free trade with the manufacturers of British goods, and, by that means, to imperil the agricultural, manufacturing, and mechanical industries of the United States.

CHAPTER XXXII.

INCIDENTAL PROTECTION—WHAT IT MEANS—DOES NOT ABANDON DISCRIMINATING DUTIES—PROTECTION INCIDENTAL TO THE COMMERCIAL, NOT THE REVENUE POWER—EACH IS SUBSTANTIVE—REVENUE TARIFF GIVES NO PROTECTION—POWER TO PROTECT DISTINCT FROM REVENUE POWER—IF REVENUE TARIFF COULD PROTECT, IT WOULD BE ACCIDENTAL, NOT INCIDENTAL.

BEFORE proceeding with further details in reference to the effects of the tariff law of 1833 upon the revenue, and upon the principle of protection, it is deemed necessary to inquire what is meant by "*incidental protection*";—an expression which, if not properly understood, is misleading. It has been the fruitful source of much false reasoning.

The first reference to "incidental protection," was by General Jackson, in his message of 1832. Before that time the constitutional power of Congress to protect manufactures had been considered, by himself and all his predecessors, as substantive and independent—not as incident to the revenue power, but to the power to regulate commerce. Not only had Mr. Madison so declared in his speeches in Congress, but he had repeated it in his messages. Both Mr. Jefferson and Mr. Monroe asserted the same doctrine as emphatically as he did. But neither of them was more emphatic than General Jackson, who adopted the views of Mr. Madison almost exactly. Whosoever shall scrutinize his

language, as already quoted, will readily observe this. The fact is, Mr. Madison's argument was so clear and comprehensive, that nothing more was left to be said upon the subject.

The principle was this: That the States originally possessed the power to regulate their own commerce — each for itself — by protection to their own manufactures; but that, as the Constitution of the United States had conferred this power upon Congress, as distinct and separate from the power to raise revenue by duties, therefore, Congress had power to protect manufactures or it had been annihilated and did not exist at all — the States having surrendered it. And General Jackson had gone so far as to make the question perfectly clear, by an argument which cannot be overthrown, that, no matter what the *intention* of Congress may be in the adoption of protective measures, that cannot enter into the question of constitutionality, inasmuch as the constitutional power to protect is so well established that it must be considered as existing independently of the motives which influence its exercise. Manifestly, when he went so far as to suggest to Congress that protective duties should be continued, although it would produce a surplus in the Treasury, above the expenditures, the idea of *incidental* protection had not been suggested to his mind; any more than, under like circumstances, it had been suggested to the mind of Mr. Jefferson.

It is fair and just to the memory of General Jackson, therefore, to say that his views, with reference to "incidental protection," were expressed with the hope that they would

remove the prejudices of those who had threatened the peace of the Union, because, as they insisted, the friends of protection demanded the exercise of the power, for its own sake, and without any regard to the amount of revenue to be raised. A perusal of his messages will show, satisfactorily to any careful investigator, that he did not intend an abandonment of specific and discriminating duties. On the other hand, he intended that these should be maintained, so that, in raising any given amount of revenue, the duties should be graduated, in order to avoid any excess; and yet, at the same time, should discriminate in favor of encouraging manufactures, according to the circumstances existing with regard to each article needing protection. He patriotically gave up his theory of raising revenue so as to create a surplus for distribution, and fully recognized the obligation of regulating the amount to be raised solely by the necessary demands of the Government. His purpose was to let the whole question of revenue turn upon the expenditures; and these were to be reduced to the lowest standard consistent with the wants of the Government. When these were estimated, and it became necessary to regulate the duties, then they should be so regulated as to discriminate in favor of protection, by graduating them according to the relation borne by them to manufacturing industry. Revenue was considered by him to be the primary object, and protection secondary; each, however—being distinct and substantive in its character and nature—was provided for by a separate grant of power in the Constitution. These being his convictions, often expressed, he could not possibly

have intended to convey the idea that the commercial power of protection was, in any degree whatsoever, incidental to the revenue power to lay and collect duties and imports. The mind cannot conceive of any proces of reasoning by which such a power as that "to regulate commerce"—which affects trade, industry, business generally—is to be held dependent upon the exercise of the power so distinct as that for raising revenue. If commerce had to be regulated only when revenue was needed, then, in case of there being no revenue, it would be abandoned. The framers of the Constitution did not intend this. Therefore, they made the grant of commercial power entirely distinct from that of the revenue power. General Jackson so understood it, and there is nothing in the reasoning of any of his messages, or in his first use of the expression "incidental protection," contradictory to this. These words are first used by him following a paragraph in his message of 1832, wherein he had argued to show that it was the duty of Congress to give protection to manufactures to whatsoever extent should "be necessary to counteract the regulations of foreign nations, and to secure a supply of those articles of manufacture essential to the national independence and safety in time of war."* This, he considered an independent obligation, to be discharged without any reference to revenue whatsoever. "It is," says he, "essential to the national independence and safety," and that, not revenue, justifies protection.

Following the language just quoted, he says:

"That manufactures adequate to the supply of our domestic consumption would, in the abstract, be beneficial to our country, there

* *Ante* Chap. xxviii., p. 267.

is no reason to doubt; and to effect their establishment there is, perhaps, no American citizen who would not, for awhile, be willing to pay a higher price for them. But for this purpose, it is presumed that a tariff of high duties, designed for perpetual protection, has entered into the minds of but few of our statesmen. The most they have anticipated is a temporary, and generally, *incidental protection*, which they maintain has the effect to reduce the price by domestic competition below that of the foreign article. Experience, however, our best guide on this as on other subjects, makes it doubtful whether the advantages of this system are not counterbalanced by many evils, and whether it does not tend to beget, in the minds of a large portion of our countrymen, a spirit of discontent and jealousy dangerous to the stability of the Union."

There is no allusion here to the question of revenue, or to the constitutional power of Congress to lay and collect duties. The language refers to a single subject—"a tariff of high duties." After expressing the opinion that manufactures are beneficial, he says that such duties as are "designed for perpetual protection"—that is, are made high for that purpose alone—are defended by only a "few of our statesmen." Then, referring to those who defend these high duties, he says, the "most" of them only anticipate "a temporary and generally *incidental protection*"; showing thereby that his reference to that subject was not with the design to express any opinion of his own as to what "incidental protection" is, but to show the mode of reasoning adopted by those who advocated a high tariff. It is manifest, therefore, that he intended to express the opinion that high duties should not be laid solely for protection, and without any regard to the amount of money to be raised. That system he considered of doubtful policy, because it created "a spirit of discontent and jealousy."

If what he said in this and other messages be taken together—and this is the most appropriate mode of ascertaining what he meant—his reasoning will appear perfectly logical. It amounts to this, that the authority to raise revenue is provided for in the Constitution by express grant of power, and that to regulate commerce by another—each being distinct from the other, because they relate to different subjects. The first is granted for the support of the Government, the second for trade and intercourse. Neither of these powers is incident to the other, and, therefore, if the power to protect is incident to the power to regulate commerce—as it undoubtedly is—it cannot be also an incident to the revenue power. Revenue may be raised from customs without regard to commerce, domestic or foreign; as, for example, it may be done by duties upon tea, coffee, and other imported articles that do not enter into manufactures; or, it may be raised by duties laid with a view to regulate commerce, by protecting manufacturing and other branches of industry; in which case the duties are imposed upon articles entering into manufactures. Each method is independent of the other, and, consequently, each is provided for by a separate and distinct grant of power to Congress. Hence, if General Jackson intended to express himself as approving only "incidental protection"—which meaning is not conveyed by his language—he did not undertake to define wherein it would differ from such protection as had been given by the system he had approved. The plain fact is that he expressed no opinion about "incidental protection," and only mentioned it as

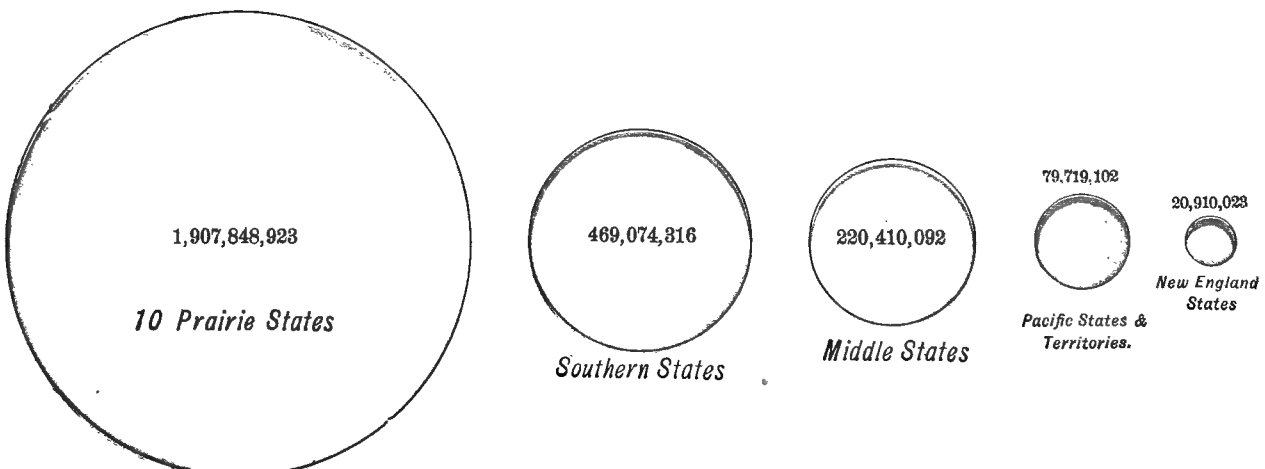
contended for by others, but not as expressing his own views. His theory was plainly expressed and well understood. It was this: that, in enacting a tariff law, the whole amount of revenue to be raised should be regulated by the wants of the Government, economically administered —that this should be the primary and controlling consideration—and that specific duties, discriminating for protection, should be so graduated as not to produce an excess of revenue beyond this demand. He did not say, or intimate, at any time, that he considered the power to provide for protective duties as incidental merely to the power to raise revenue. On the other hand, whenever he referred to the necessity of protecting domestic industry, he conveyed no other idea than that he considered the power to do so as distinct and independent. It had always been so considered. In the first Congress the two powers were exercised in the same bill, and the practice has ever since prevailed. And as all tariff laws are primarily for revenue, the exercise of the power to protect may be considered as incidental to the exercise of the power to raise revenue; that is, when it becomes necessary to raise money for the support of the Government by the employment of the revenue power, it becomes an incidental but imperative necessity to employ the commercial power with a view to protection. The proposition may be otherwise stated: When there is no revenue to be raised, there will be no protection—if such a state of affairs could occur—but when there is revenue to be raised, then there shall be protection also. In this view one power is not, in the least degree, incidental to the

CEREAL PRODUCTS

Of the Five Geographical Divisions

Of the United States.

BUSHELS



other, but the exercise of one may be incidental to the exercise of the other. General Jackson evidently meant to express his opposition to a law solely for protection, but, at the same time, he distinctly favored the introduction of the principle of protection in a revenue law, therein following the example set by the first Congress, under Mr. Madison's lead. If he did not mean this, his ideas were confused, which is not probable, inasmuch as he always understood his own purposes thoroughly and expressed them both plainly and emphatically.

We should not overlook the fact that, at the date of the message in which he alluded to "incidental protection," the tariff law of 1832 was in force, as amendatory of the laws of 1824 and 1828, and that the principle of protection was well established. It was so much so that it was the immediate cause of the excitement in South Carolina. What General Jackson said, therefore, about "incidental protection," must be construed in the light of the facts that the existing system had been established at the foundation of the Government, and that protective duties had been increased from time to time as the necessities of the Government and the interests of domestic industry had required. In order that he might not be misunderstood he had just declared—in the paragraph directly preceding that in which he speaks of "incidental protection"—that "long and patient reflection" had strengthened the opinions he had formerly expressed upon the subject.* By this reference, he undoubtedly intended to refer Congress to what

* See *Ante* Chap. xxviii., p. 267.

he had previously said about the principles involved in laying duties, and to advise that they be adhered to. He had recommended in his first message, in 1829, that "the general rule to be applied in graduating the duties upon articles of foreign growth or manufacture, is that which will place our own in fair competition with those of other countries"—meaning thereby, as plainly as language will allow, that such duties should be specific and discriminating to the extent necessary for the protection of our own manufactures against the competition of those imported from abroad. And in his second message, in 1830, he had argued to show that there is "no necessary connection" between "the encouragement of domestic manufactures" and "the system of appropriations," because "*the former is sustained on the ground of its consistency with the letter and spirit of the Constitution*, of its origin being traced to the assent of all the parties to the original compact, and of its having the support and approbation of a majority of the people."

To say then — as is often said — that General Jackson meant by "incidental protection" to convey the idea that duties should be laid for revenue alone, and not also for the protection of home industry, is a manifest perversion of his language. He said nothing to which this meaning can be properly attached. He had approved the protective tariff act of the same year, and it cannot be fairly supposed that the idea had entered his mind that it would be proper to abandon the principle embodied in that act, as well as

all previous tariff laws—for one of which he had voted when a member of the Senate—and to the support and preservation of which he was specially pledged during the Presidential contest which resulted in his election. He looked at the question in its national aspects, and condemned all efforts to narrow it into a controversy between the sections, or to excite jealousies between those who were engaged in the various industrial pursuits upon which the prosperity and wealth of the country depended. No such thing as a horizontal or uniform standard of duties had ever then been tried or proposed, and nothing was further from his purpose than to suggest the introduction of such a plan. If he had intended this he would have said so without equivocation, for he was not accustomed to concealment. So far, however, from entertaining any such opinion, he recommended the very reverse. And besides, he perfectly understood that, by a horizontal scale of *ad valorem* duties, protection would be *accidental* rather than *incidental*—that is, that it would be legislation with no view whatsoever "to counteract the regulations of foreign nations," or to supply us with "those articles of manufacture, essential to the national independence and safety in time of war"—both of which were objects for which he considered it as much the duty of the Government to provide as it was to raise revenue for its own support. He had voted against all measures of this kind in the Senate, and had protested against them in his previous messages. Therefore, the accusation made against him, that he meant the reverse of what he said—that he meant a tariff for revenue only when

he expressly recommended that duties should be laid for both revenue and protection—amounts to a charge of insincerity he does not merit.

General Jackson never, at any time, indicated a desire to see the Government taken away from the beaten track of policy it had constantly pursued. On the contrary, he was disposed to sanction such measures as were shown to be wise and prudent by experience. There were certain important facts to which he could not shut his eyes. The bill introduced into the first Congress by Mr. Madison was originally a revenue measure exclusively, and intended to be temporary in its operations. The public treasury was empty. The country was poor, in the sense of being undeveloped, and there were no wealthy classes of society; while the bulk of the people were in straitened circumstances. The Secretary of the Treasury, with the approval of the President, had taken the responsibility of pledging the public faith for the payment of the public debt, and Mr. Madison's bill was intended as a ratification of this pledge, by providing the means of payment, as well as the amount necessary to carry on the Government. It, consequently, invoked the exercise of the revenue power only. But Mr. Fitzimons' proposition to amend the bill went beyond this and called for the exercise of the commercial power also, independent of the revenue power. It has been already observed that he made this avowal at the time, and that Mr. Madison assented to it without hesitation. If, therefore, Mr. Madison's bill had passed without amendment, it would not have contained the principle of protection, and

the discussion shows that it was so understood at the time. The idea that "incidental protection" was contained in a law designed for revenue only—as a consequence necessary to mere revenue duties—had not then been conceived. It was not entertained by Mr. Madison or Mr. Fitzimons, or by a single member of either the Senate or House of Representatives, so far as can now be ascertained. So far from that being the case, the two principles were recognized by all as separate and distinct. And being so it became necessary to amend the bill in order to introduce into it the principle of protection, for the reason assigned by Mr. Madison and others, that it was the only mode of giving suitable encouragement to home industry—thereby developing domestic commerce and making us independent of foreign countries, in peace as well as in war.

This example proves that the universal understanding, at the beginning of the Government under the Constitution, was that it is not the necessary effect of a tariff law, intended alone for revenue and with a horizontal standard of duties, that it will afford the necessary protection to industry, either directly or incidentally. It may or may not protect, in an insignificant degree, under some possible circumstances. But even in such cases, it would be accidental. Whereas, with reference to the bulk of articles of foreign manufacture which come into competition with our own in the home market, a mere revenue duty would not afford sufficient protection, and if it furnished any, it would be almost imperceptible—mere mockery.

It is because of this that the argument in favor of

"incidental protection" has been so long used by the advocates of free trade, with the hope, doubtless, that if they could bring about the adoption of the policy of a tariff for revenue alone, with a horizontal standard of *ad valorem* duties, it would, in the end, lead to free trade, and the substitution in our markets of British for American manufactures. Many who approve the principle of protection have been disposed to accept this argument as possessing some force —having been misled by the sophistry with which all visionary free traders are abundantly supplied. A little reflection, however, based upon past experience and a proper understanding of the operations of a tariff law, ought to convince them of the error into which they have fallen —perhaps unintentionally. There is no public question so little understood, or so difficult of explanation. Those who do understand it can easily see how entirely incompetent a purely revenue tariff would always prove for the purposes of protection. They have no difficulty in seeing that the construction now placed by some politicians upon what General Jackson said about "incidental protection" is not what he intended. If it were, he would have emphasized his opinion by recommending such a tariff. Certainly, nothing can be plainer than that he did not contemplate an abandonment of protection. So far from that, he considered it as a permanently established principle of national policy, and manifestly classed himself among its firm supporters. Nevertheless, his language was unfortunate—not because of any special difficulty in its being understood if carefully examined, but because it has been so perverted as

to make him appear the opponent of a measure he always favored, and to which he was pledged before his election, which had become one of the prominent measures of his administration, and which he had expressly recommended.

CHAPTER XXXIII.

COMPROMISE ACT OF 1833 AN EXPERIMENT—IT FAILED—PRODUCED GENERAL EMBARRASSMENT—HARRISON ELECTED PRESIDENT IN 1840—TYLER ACTING PRESIDENT—EXTRA SESSION OF CONGRESS—REVENUE DECLINING—TREASURY EMBARRASSED—EFFECT OF DUTIES—TARIFFS OF 1828 AND 1833 COMPARED—TYLER ON DISCRIMINATING DUTIES—ADDITIONAL DUTIES NECESSARY.

IT has been stated that the tariff of 1833 was an experiment. No similar measure had been previously tried; and, consequently, its effect and character had to be ascertained by subsequent developments. Hence, it did not provide for the immediate introduction of a horizontal standard of duties, but for their gradual reduction until they should reach the minimum point of twenty per cent in nine years, that is, by 1842. This delay was a wise precaution, as nobody professed wisdom enough to foretell the result. The supporters of the measure were composed of two classes—the advocates of free trade, who hoped to strengthen their cause by the temporary expedient of a tariff for revenue only, and those friends of protection who were willing to concede something, in the spirit of compromise, to such of the enemies of protection as were combined to destroy the Union. General Jackson and Mr. Clay both belonged to this latter class; and Mr. Webster stood at the head of those who resisted the

measure, not alone upon the ground that it would weaken and, possibly, in the end, destroy the principle of protection, but because, under the operations of the law, the Government would be embarrassed by too great reduction of the revenue. The consequences which followed, proved that the supporters of the measure were mistaken, and its opponents right—the predictions of the latter having been fully verified. Notwithstanding the liberal concessions made by it, and the conciliatory spirit in which it originated, it was entirely fruitless, in so far as it influenced the existing disaffection. In every aspect it proved a failure.

By the time of the Presidential election of 1840, it had become evident that the country could not recover from the financial difficulty which had existed during Mr. Van Buren's administration, without a change in the tariff policy. This conviction became so general that General Harrison was elected President over Mr. Van Buren by a majority of one hundred and seventy-four electoral votes, and was inaugurated March 4, 1841. He found his administration immediately confronted by the fact that the Treasury was so depleted as seriously to threaten the credit of the Government. Under the circumstances it became his first duty to convene Congress in extra session, in order that the means of relief could be provided. He designated May 31, 1841, as the time of meeting, as the condition of the Treasury required that something should be done upon the close of the fiscal year, which had been then fixed on the 30th of June. The necessity increased every

day, in consequence of constant decline of the revenue, occasioned by the rapid approach of the time when the duties would become fixed at the horizontal standard provided for by the Compromise Act. There was even danger that the operations of the Government would be entirely suspended for the want of means to carry them on. There had never been a time before when the folly of introducing experimental measures of policy was more apparent.

The death of General Harrison, before the meeting of Congress, devolved upon Mr. John Tyler the duty of administering the Government as Vice-President and acting President. He had to enter upon this duty under the most embarrassing circumstances. While he was not classed with either the friends of protection or of free trade, he occupied a sort of "half-way house" between them, which induced him to regard his administration as, in some way, required to adhere as closely as possible to the policy embodied in the act of 1833. And this led him into the error of supposing that act to be in the nature of an agreement, or compact, between the friends of protection and free trade, which should be adhered to without change, at least until 1842, and, as to its general features, beyond that period.

The first palpable fact that arrested Mr. Tyler's attention was that "the fiscal means, present and accruing, are insufficient to supply the wants of the Government for the current year," an admission which he must have felt some degree of mortification at being compelled to make. The

balance in the Treasury on March 4, of that year, was only $860,000, including $215,000 of bullion in the process of coining at the mint. This left only the sum of $645,000 subject to draft for the payment of the ordinary expenses. In addition to this, however, the Secretary of the Treasury had authority to issue $5,413,000 of Treasury notes, which made the available means $6,058,000, less $5,280,000 of Treasury notes redeemable within that year, and the amount of other liabilities which had accrued under Mr. Van Buren's administration. Thus, the available resources of the Treasury were practically exhausted, and the accruing revenue was burdened with a constantly increasing debt. The financial condition of the Treasury was absolutely deplorable. The revenue was diminishing and the debt increasing daily; and the only possible resort seemed to be to issue Treasury notes to pay other outstanding notes of the same kind — that is, to borrow money with which to pay borrowed money. Consequently, Mr. Tyler was compelled to declare, in his first message to Congress, at the extra session — after enumerating the demands upon the current year — that the anticipated means were "*greatly inadequate.*"

Some idea of the manner in which this condition of the Treasury was produced, may be conveyed by a brief statement, showing the comparative effect upon the revenue, of the tariff of 1828, which was protective, and that of 1833. For the six years from 1828 to 1833, both inclusive, the aggregate amount of revenue from customs was $149,531,888.86, or an annual average of $24,921,981.48. For the

six years immediately following, from 1834 to 1840, both inclusive, the aggregate amount from the same source was $122,981,726.24, or an annual average of $20,498,621.04. The decrease for the six latter years, as compared with the former six, was $26,550,162.60 — the annual average decrease being $4,423,360.44. The gross expenditures for the four years from 1837 to 1840, both inclusive — the period of Mr. Van Buren's administration — were $142,661,945.46, which exceeded by $19,679,219.22, the aggregate revenue from customs for the entire last six years above alluded to. It is evident, therefore, that, if it had not been for the revenue derived from the sale of public lands, and from miscellaneous sources, and from loans, the Treasury would inevitably have reached the condition of entire bankruptcy. During the last four years named — that is, from 1837 to 1840 — the receipts from loans and Treasury notes were $25,156,633.50 — from public lands $21,280,577.21 — and from miscellaneous sources $16,958,845.18 — making an aggregate during Mr. Van Buren's administration of $63,396,055.92. These facts, therefore, make it perfectly apparent that, during the period named, it would have been utterly impossible to carry on the Government by the revenues derived from customs, or, in other words, under the operations of a tariff for revenue only.

The effect produced upon the revenue by a decrease of duties is easily made apparent. The receipts from customs for the year 1839 were $23,137,924.81. In that year three-tenths of the excess of duties above twenty per cent were

taken off, under the act of 1833 — leaving only two more reductions to bring the duties down to the horizontal standard of twenty per cent. The consequence was that the revenue from customs ran down in 1840 to $13,499,502.17, — a decrease of $9,638,422.64, in one year. The revenue for the next year, 1841, from the same source, was $14,487,216.74, which exceeded that for 1840, $987,714.57, but was $8,650,708.07 less than that for 1839. Hence, with this declining revenue, and the large decrease in the receipts from public lands since 1835 and 1836 — occasioned by the general derangement of business — and with steadily increasing expenses, Mr. Tyler's administration was required, at the outset, to deal with the difficult and embarrassing question of contriving means for relieving an almost impoverished Treasury. This cannot be made more clear in any other way than by the following, published in 1846, by Mr. Horace Greeley. He said:

"That we had recently what is termed a *revenue* tariff — that is, a tariff adjusted without reference to protection, but with a view to revenue only — is a fact of ample notoriety. Under the Compromise Act of 1833, the duties previously levied were reduced by one-tenth annually of the excess over twenty per cent, down to 1842, when no duty higher than twenty per cent remained. For the two or three years preceding, the duties exacted had approximated very nearly to the supposed *revenue* standard. Yet, never in time of peace was the revenue so enormously deficient. Mr. Van Buren became President in 1837, when the reduction of duties had been nearly half effected, and closed his term in 1841, when it had been nearly completed. During these four years, the actual expenditures of the Government exceeded the actual income by more than *thirty millions of dollars*.

After a statement of the means made available by Mr. Van Buren, otherwise than by the receipts from customs,

and another, that the Government ran behind in Mr. Van Buren's four years $30,000,000, he continued:

"The revenue had fallen off from over thirty millions per annum, during General Jackson's last term, to less than twenty millions under Mr. Van Buren, and the actual receipts of 1841 and 1842—the two years of most strictly *revenue* duties—were less than fifteen millions per annum. So notoriously inadequate was the income afforded by this revenue tariff, that one of the last acts of the retiring Van Buren Congress of 1837, was an act authorizing the issuing of an additional five millions of Treasury notes, to enable the new administration to struggle on until the regular meeting of the next Congress, in December of that same year."

Such palpable and undeniable facts as these furnish a far better basis for correct opinion than any mere assertion, however plausibly maintained. They indubitably establish the proposition that at the close of Mr. Van Buren's administration, it had been clearly demonstrated that under the Compromise Act of 1833 it would be impossible to raise revenue enough to carry on the Government; in other words, that it was an absolute failure as a revenue measure.

Yet Mr. Tyler did not at first think it advisable to alter the law of 1833. Besides being under the influence of some mental proclivities, which few understood, he reasoned himself into the belief that, as but a single year remained to complete the reduction of duties, it would be well to let it stand unaltered until then, in order, perhaps, that the experiment might be completely tried. Besides, he thought it contained provisions, which, if "brought actively in aid of the manufacturing interests of the Union," might produce beneficial results. He entered into no explanation to show how such results would be likely to ensue, but expressed

his approval of "a system of *discriminating* duties, imposed for purposes of revenue." What he meant by this we can only arrive at inferentially, inasmuch as his opinions upon the subject were, manifestly, not thoroughly matured. If he meant duties discriminating in favor of manufactures, with a view to their protection against foreign rivalry, but imposed so as to raise money for revenue and not distribution, his idea was the same as that expressed frequently by General Jackson, after he had changed his mind with reference to the propriety of producing a surplus. It is probable, however, that he did not mean this, inasmuch as in a subsequent message—hereafter to be noticed—he spoke of discriminating for revenue, and seemed to intimate that, in his opinion, "incidental protection" consisted in that. Very little knowledge of the operation and effect of duties is required to understand how misleading such an opinion is. The entire practice of the Government has shown that discriminating duties are simply and only such as are made so for the purpose of protection, and are neither duties laid for revenue alone, nor incidental to them. They derive their name from the fact of being protective. The question of revenue serves to indicate the amount to be raised, and when the power to raise revenue is invoked, then it follows, incidentally, perhaps, that the power to protect shall be invoked also. If there is any such thing as "incidental protection," containing even as much substance as a shadow, it may be this—it cannot be anything more.

In his first annual message, in December, 1841, Mr. Tyler intimated that the Compromise Act of 1833 should

be recognized as being entitled to somewhat of the same sanction as the Government itself, inasmuch as, like the Government, it resulted from the reconciliation of "jarring and discordant opinions." And yet—although there is some trouble in ascertaining his precise meaning—it is evident that he attached more importance to that feature which provided for home valuation, and some others of its general features, than to the provision for a horizontal standard of duties. He must have understood that the inevitable tendency of such a standard would be not merely to cause a still greater decrease of revenue, but to inflict additional injury upon all domestic industries. Consequently, he considered it his duty to say to Congress that "in imposing duties, however, for the purposes of revenue, a right to *discriminate* as to the articles on which the duty shall be laid, as well as the amount, necessarily and most properly existed." Why discriminate except for protection? It is not necessary for revenue; for if that be the only object a horizontal standard is sufficient. He must have intended to convey the idea that duties discriminating for protection were equally constitutional and proper with those laid for revenue; for he immediately said: "So also the Government may be justified in so discriminating, by reference to other considerations of domestic policy connected with our manufactures." In this, he undoubtedly meant that duties for revenue and those for protection were distinct things, and that both might be constitutionally and properly imposed—the former as necessary for the support of the Government, the latter as the means of advancing

the industrial interests of the country. He said enough to show that he considered each as dependent upon a separate and independent grant of power.

But whatsoever opinions Mr. Tyler may have entertained at the date of his message in 1841, he was soon forced to realize—in a far greater degree than he had probably anticipated—the impossibility of supplying the Treasury with the necessary amount of revenue, under the system of decreasing duties, provided for by the Compromise Act of 1833. On March 8, 1842—only three months after the date of that message—he found himself compelled to address to Congress a special message, in which he said:

"The diminution in the revenue *arising from the great diminution of duties under what is called the Compromise Act*, necessarily involves the Treasury in embarrassments, which have been for some years palliated by the temporary expedient of issuing Treasury notes—an expedient which, affording no permanent relief, has imposed upon Congress, from time to time, the necessity of replacing the old by new issues."

With the financial affairs of the Government in this condition, he could not avoid calling the attention of Congress to "the contemplated revision of the tariff of duties," in order "to a relief of the Treasury from those constantly-recurring embarrassments." It had become evident to him—as it was to the public generally—that this condition of affairs could not continue without bringing the Government into positive disgrace, as it was impossible to carry it on by means of borrowed money alone, when the revenue was so steadily decreasing as to render it impossible to discharge the public indebtedness. These two propositions, then, may be considered well established: First, that

the Compromise Act of 1833, as a tariff for revenue only, was an absolute failure; second, that very few public measures, in this country, have been demanded by more imperative necessity than that which dictated the tariff law of 1842. And when it is considered that the injurious consequences of a system of declining duties, and the near approach of a horizontal standard was so thoroughly demonstrated, it must continue to excite surprise that such strenuous and unremitting efforts were subsequently made to return to a system of revenue duties alone, without regard to protection, and to a repeal of the tariff law of 1842, after the proof of its advantages had been satisfactorily exhibited.

The embarrassments which Mr. Tyler's administration had to encounter increased every day, and became so threatening to the public faith and credit that he was obliged to supplement his special message by another, of March 25, 1842—in less than three weeks—again invoking the action of Congress. In this message, he said:

"Notwithstanding the urgency with which I have, on more than one occasion, felt it my duty to press upon Congress the necessity of providing the Government with the means of discharging its debts, and maintaining inviolate the public faith, the increasing embarrassments of the Treasury impose upon me the obligation of again inviting your most serious attention to the condition of the finances."

The urgency which dictated such earnestness of language as this must have been very great, and the fact that it was so furnishes the most complete evidence of the inefficiency of a tariff for revenue only. The country was in perfect peace, with no large war debt to provide for, and

with nothing to swell the Government expenditures beyond the ordinary standard, and yet it was demonstrated beyond a doubt that the Compromise Act was insufficient even for that purpose. That act was the first trial of such an experiment—the first step towards a tariff for revenue only—the first attempt to depart from the protective system established under Washington and maintained by all his successors. And its failure was not only so well attested as to leave it with but few defenders, but to satisfy the public that a purely revenue tariff could not supply the Government with the necessary amount of money. True, the entire excess over 20 per cent of duties had not, at the time referred to, been taken off; but as that would occur within a few months, there was no difficulty in foreseeing that there would be no improvement during the year; while, on the contrary, it was perfectly apparent to all who observed the financial condition of the Treasury that it would grow worse all the time.

Why there should have been any opposition to a change in this condition of affairs, must seem now to have been one of those unfathomable things which no scrutiny can penetrate. The events to be enumerated hereafter may throw some light upon this subject.

CHAPTER XXXIV.

TYLER IN FAVOR OF COMPROMISE ACT—BUT FOUND ADDITIONAL DUTIES NECESSARY—HIS IDEA OF INCIDENTAL PROTECTION—VETOED TARIFF OF 1842—PASSED OVER HIS VETO—GROUNDS OF THE VETO—TARIFF OF 1842 AN ABSOLUTE NECESSITY.

THE motives which influenced Mr. Tyler to desire that the Compromise Act should stand as long as possible, are of no present consequence. An understanding of the effects produced upon the revenue, by the operations of the act itself, is of far more importance than any inquiry into the political tendencies of his administration could be. Fortunately, this understanding may be reached by a careful investigation of the recorded evidence.

In his annual report to Congress, in December, 1841, his Secretary of the Treasury estimated that, after exhausting all the probable resources of the year, a deficit of about $14,000,000 would exist. He, accordingly, recommended that the difficulty be bridged over by issuing Treasury notes, and by extending the time for negotiating the loan authorized by Congress at the extra session. Mr. Tyler approved the views of the Secretary, and regarded the existing evil so grave as to require a vigorous and decisive remedy, realizing, as he said, that "no slight palliatives or occasional expedients will give the country the relief it needs." Notwithstanding his partiality for the Compromise

Act, he was constrained to say that he considered the true remedy to be "to lay *additional duties* on imports, in order to meet the ordinary current expenses of the Government." He, in all probability, would not have done this if he had not learned from experience that it would be impossible to carry on the Government, and maintain its credit, under the system of low horizontal duties provided for by the Compromise Act. Nevertheless, his ideas upon the subject were somewhat confused, probably because he felt disposed to carry conciliation to the utmost limit, in order to quiet any disturbance likely to be incited by the supporters of free trade. The latter had accustomed themselves to the threat of dissolving the Union, and had weakened their attachment to the National Government by the persistent habit of assailing it; and Mr. Tyler probably felt, as General Jackson did, that there was a possibility of re-awakening a sentiment of patriotic duty in their minds by friendly concessions. Manifestly, however, his main trouble arose out of the difficulty of finding some point of reconciliation upon which he could rely, and, at the same time, go to the extent of providing increased revenue, which was a matter of absolute necessity. In the evident confusion of his mind, he adopted inapt language to express his meaning. He said:

"In the exercise of a sound discrimination, having reference to revenue, but at the same time, affording incidental protection to manufacturing industry, it seems equally probable that duties on some articles of importation will have to be advanced above twenty per cent."

It is hard to tell exactly what this means. It, however, contains one proposition about which there can be no mis-

take — that is, the necessity for an increase of duties above twenty per cent. This could not be done, of course, without a departure from the provisions of the Compromise Act, and, therefore, Mr. Tyler gave a reluctant consent to that. Yet, even when thus forced by necessity to recommend an "increase of duties," he seemed inclined to make revenue, not merely the controlling, but only consideration. We are left to infer from his language that he was simply endeavoring to find some sort of shelter behind the suggestion of General Jackson with reference to "incidental protection," without having fully appreciated its force and meaning. He speaks of "the exercise of a sound discrimination, having reference to revenue," but it would have been impossible for General Jackson to have involved himself in that absurdity. It is impossible for revenue duties to discriminate — they relate to matters wholly distinct. When duties relate to revenue they involve nothing else — when they discriminate it is for protection. This, in fact, constitutes the central feature in the whole controversy between a protective and revenue tariff; and, by an examination of what General Jackson and all his predecessors in the Presidency have said upon that subject, it will be found that he and they so understood. But Mr. Tyler seemed to entertain, at the time this sentence was penned, the mistaken idea that when duties are laid with "reference to revenue" alone, they are also discriminating — "necessarily affording incidental protection to manufacturing industry." His error consisted in the attempt to give an equivalent meaning to terms not susceptible of it — for as revenue

under such a tariff would be the only object, the duties would not be, in any sense, discriminating. Consequently, it could not be either directly or incidentally protective. There must be some relation between the substantive thing and that which is incident to it; but nothing of that kind grows out of the relation between revenue and protection. We have seen that General Jackson did not intend to convey any such idea when he alluded to the opinions of others with reference to "incidental protection." And Mr. Tyler — driven forward by a necessity he could not control — must have been subsequently convinced of his own misuse of terms — for, in his *veto* of the first tariff bill passed in 1842 — when, recognizing the necessity of exceeding the twenty per cent, fixed by the Compromise Act — he expressed the opinion "that Congress may, above as well as below that rate, so discriminate as to give incidental protection to manufacturing industry." This is very different from discrimination for revenue alone, as he had formerly expressed it, inasmuch as it is neither more nor less than discrimination for protection. He erroneously calls it "incidental protection" — which is impossible, for the reason that, according to his own theory, protection is direct, being made so by the fact of discrimination. Hence, there is no such thing as "incidental protection" by means of discrimination in favor of manufacturing industry. It involves the principle of protection precisely as it would be involved where it alone was the object — the difference being only in degree; that is, the extent to which the duties shall be carried.

The first tariff bill passed in 1842 was *vetoed* by Mr. Tyler, not because it contained the principle of discrimination in favor of protection, but—as all his reasoning shows—because it did not suspend the distribution of the proceeds of the public lands, which had been provided for by an act passed in September, 1841, at the extra session of Congress. While, in one breath, he recommended an increase of duties, in the next, he indicated a desire to cling to the Compromise Act, which he professed to regard as a solemn covenant, not to be violated, insisting that all the land fund should be absorbed by the Treasury for ordinary expenses, so as to keep the duties down as low as possible, notwithstanding the possible weakening of the principle of protection. Evidently, his mind was somewhat unsettled by the desire to "blow hot and cold" with the same breath; that is, to conciliate both the friends of protection and of free trade, the latter of whom continued their attitude of hostility to the Government unless permitted to dictate its policy. His reasoning was not only wrong, but it involved him in the contradiction of himself. And, consequently, as he failed to influence the action of Congress, the tariff law of 1842 was passed, over his second *veto*, by the constitutional majority.

The grounds of this second *veto* were substantially like those of the first, but more amplified. He continued to concede the necessity for an increase of duties, but adhered to his former position, that, while the Act of 1833 authorized them to exceed twenty per cent when

the condition of the Treasury demanded it, yet, that the distribution of the public land fund should cease in order to keep the duties down to the lowest point. With regard to the protection of manufactures his language was more intelligible than it had previously been, as he seemed by that time to have become convinced that discriminating duties were not revenue duties, but necessarily protective. Referring to his recommendation for their increase, therefore, he defined his meaning to be that they should be imposed "for the *two-fold* object of affording ample revenue for the Government, and incidental protection to the various branches of domestic industry." Here he recognized, as General Jackson had done, that some duties should be laid for revenue, and that others should discriminate for protection — each constituting a class by itself, and each accomplishing its own objects. And thus his ultimate theory—which he reached by gradual steps — culminated in the idea that Congress was as much bound to legislate for protection as for revenue. As he considered these objects as "two-fold" — that is, separate and distinct from each other — he must be taken to have reached, at last, the same conclusion General Jackson did, that the powers of Congress were "two-fold," being derived from separate and distinct provisions of the Constitution — one from the revenue and the other from the commercial clause. Whatsoever may have been his actual convictions upon the subject, it is sufficient now to note the fact that, notwithstanding his first and second *veto*, the Tariff Act of 1842 was passed, and revived the

principle of protection, which had been, to say the least, seriously endangered by the Compromise Act of 1833. It re-introduced discrimination in favor of protecting domestic industry, therein differing from a horizontal tariff, which makes no discrimination. And this is the point of practical difference between the two systems.

It is not easy to see, in the light of the foregoing facts, how the passage of the tariff law of 1842 could have been rightfully avoided, since they demonstrate, with positive certainty, that the necessary revenue to carry on the Government could not have been otherwise raised without resort to direct taxation. Such lessons of experience as we learn from the history of those times are worth far more, in the practical administration of public affairs, than whole volumes of speculations by ingenious theorists, howsoever interesting and instructive they may be made by sophistical reasoning. They are as instructive now as they were then, inasmuch as it is a fair and reasonable conclusion that what has once occurred will, under like circumstances and conditions, occur again; and it would indicate a far less degree of sagacity and common sense than the people of the United States have the reputation of possessing if they should, after the experience they have had, suffer themselves to be hereafter persuaded into the repetition of a policy so fraught with evil as a merely revenue tariff then was, and has always been—as additional demonstrations will show.

CHAPTER XXXV.

TARIFF OF 1842 FOR REVENUE AND PROTECTION—HOME VALUATION—CASH PAYMENTS—REVIVAL OF BUSINESS—IMPROVED CONDITION OF THE TREASURY—EFFECT UPON REVENUE—PRESIDENTIAL CONTEST OF 1844—POLK AND CLAY—PROTECTION A DIRECT ISSUE—CLAY FOR IT—POLK EQUIVOCAL—SUPPORTED BY FREE TRADERS IN THE SOUTH, BY PROTECTIONISTS IN THE NORTH—HIS CIRCULAR IN TENNESSEE—HIS LETTER TO KANE—CANVASS IN PENNSYLVANIA—"HISTORY OF THE POLK ADMINISTRATION"—POLK ELECTED BY PROTECTION VOTES—PROCURED BY FRAUD.

THE tariff of 1842 was of the "two-fold" character spoken of by Mr. Tyler; that is, the duties laid by it were for both revenue and protection. They were increased for both these objects, to such a degree as each required. The free list was made as large as the necessities of the Treasury would allow; but beyond it the principle of discriminating by specific duties, in favor of protecting all branches of domestic industry, was distinctly recognized. Its opponents denounced it as a protective tariff—an accusation entirely true in the sense here stated. But it was also a revenue tariff, in that it provided for revenue as well as for protection. It did not provide for either alone, but for both. And in both it proved a success. It was in marked contrast with the Compromise Act of 1833. Although it repealed that act, it retained some of

its wholesome provisions; for example, home valuation and payment of duties in cash.

A tariff for protection alone has never been advocated by any considerable number; and the accusation that such a measure has been seriously contemplated, at any time, is undeserved and unjust. It is one of the common pretenses behind which the fallacy of free trade is disguised. It does not appear that a single supporter of the tariff of 1842, in either branch of Congress, advocated or desired that it should provide for protection only, or for protection at the expense of revenue, or for protection to the extent of prohibiting the importation of any necessary articles from foreign countries; but, on the other hand, it is true that the principles of the act, as regarded revenue and protection, conformed precisely to those established by the first Congress, and adhered to in all our tariff laws until 1833. If the duties had not been increased by it as they were, and made discriminating and specific, the embarrassed condition of the Treasury would undoubtedly have continued. Such a fact as this—perfectly apparent to all who make the investigation—is worth far more in the practical management of public affairs than a volume of the most learned dissertations upon the abstract principles of political economy. Experience is the safest guide, to nations as well as individuals.

The beneficial effects of the tariff of 1842 were almost immediately manifested. The business of the country—which had been previously paralyzed—was wonderfully revived. Confidence was restored, and all the industries

of the country were correspondingly improved. But in nothing was this improvement more marked than in the relief it gave to the public treasury. Up to June 30, 1843 — the close of the fiscal year — the receipts from customs were $25,234,752.67, as against $14,487,216.74 for the previous year, under the Compromise Act — making a difference of $10,747,535.93, or over 75 per cent in one year, in favor of the tariff of 1842. In 1844 the receipts from the same source were $26,183,570.94; in 1845, $27,328,112.70; and in 1846 — when a new tariff law was passed — $26,712,667.87. If we compare the four years of Mr. Van Buren's administration, under the Compromise Act, with the four years immediately following the passage of the act of 1842, it will be seen that, during the first period, there was a steady decrease of revenue, while, during the second period, there was a steady increase. This method of comparison fixes the relative value of the two systems, showing one to be injurious to the revenue, the other beneficial. The aggregate amount received during the four years first named was $63,967,517.73, and during the last four years $105,459,104.18, showing a difference in favor of the latter of $41,491,586.45, or over 60 per cent. Contrasted, therefore, as revenue measures, the preference must be given, by all thoughtful people, to the tariff of 1842, with its protective features. And the comparison here made is solely with reference to this point.

The political result which followed the passage of the tariff of 1842, was a more distinct and direct issue than had existed before, between the friends of protection upon one

side, and the advocates of a tariff for revenue only, tending ultimately to free trade, upon the other. The field of controversy became expanded to its utmost limit, so that the whole subject of the tariff, in all its relations and bearings, underwent a thorough and exhaustive investigation. But in so far as the controversy had relation to political parties, any inquiry into it would be fruitless of good results. Besides, the matters under present investigation are too important to be discussed in a partisan or factious spirit.

Mr. Clay and Mr. James K. Polk, of Tennessee, were the rival candidates for the Presidency in 1844, and one of the prominent questions involved in the contest was the relation which each bore to the question of the tariff and the doctrine of protection. The fierce opposition of those who advocated a strictly revenue tariff to the principle of protection in the tariff of 1842, made this unavoidable. The controversy was exceedingly animated, and resulted, as will presently appear, in showing that a majority of the people of the United States indorsed the principle of protection, and were opposed to a tariff for revenue only. This will be recollected by many who took part in it, and may be easily ascertained by such as take the pains to analyze the result.

Mr. Clay was recognized, on all hands, as the supporter of protection. He had given occasion, by his introduction and support of the Compromise Act, to the suspicion, among the friends of protection, of being inclined to concede too much to the free trade theory. But the experience

of the country under that act led him to re-affirm, without equivocation, the principles he had previously advocated with earnestness and ability. He did not understand himself as having surrendered any of those principles—for when the act of 1833 was passed he declared that he did not think the principle of protection would be endangered by it. In order, however, that he should not be misunderstood, he made an emphatic declaration of his opinion. In a speech delivered at Raleigh, North Carolina, during the canvass, he said:

"Let the amount which is requisite for an economical administration of the Government, when we are not engaged in a war, be raised exclusively on foreign imports; and in adjusting a tariff for that purpose, let such discrimination be made as will foster and encourage our domestic manufactures. All parties ought to be satisfied with a tariff for revenue, *and discrimination for protection.*"

Mr. Polk was understood to occupy different ground. As a member of the House of Representatives he had opposed and voted against the tariff of 1828; thereby separating from General Jackson, who, as a Senator from the same State, had voted for the tariff of 1824. But he had voted for that of 1832 because, as he said, he considered it to contain some important modifications of the existing law; and because also—as may be justly inferred—it was in accordance with the policy of General Jackson's administration, of which he was an earnest supporter. He had also, when a candidate for Governor of Tennessee, in 1843, addressed a circular letter to the people of that State, wherein he took strong and decisive grounds in favor of the

repeal of the Tariff Act of 1842. In that letter he expressed himself in the following language:

"I have steadily, during the period I was a representative in Congress, been *opposed to a protective policy*, as my recorded votes and published speeches prove. Since I retired from Congress I had held the same opinions. In the present canvass for Governor I have avowed *my opposition to the Tariff Act of the late Whig Congress*, as being highly protective in its character, and not designed by its authors *as a revenue measure*. I had avowed my opinion in my public speeches, that the interests of the country—and especially of the producing and exporting States—*required its repeal, and the restoration of the Compromise Act of 1833*."

This advocacy of a repeal of the tariff of 1842, after it had furnished abundant revenue and revived business; and the restoration of the Compromise Act, after it had almost bankrupted the Government, and seriously paralyzed all branches of trade and industry, made that period one of the most curious—as it became, in the end, one of the most instructive—in our political history. Why should a beneficial measure be destroyed and an injurious one be revived? There is but one answer: the sectional interests of the cotton-planting States required it, and in this contest for Governor of Tennessee Mr. Polk made himself the special champion of that cause. He was professedly the friend of General Jackson, but with regard to the respective systems of protection and free trade, he agreed with the enemies of his administration, who completely controlled the combinations which resulted in his nomination for the Presidency in 1844, over Mr. Van Buren, General Cass, Colonel R. M. Johnson, and Mr. Buchanan—the latter of whom, coming from the tariff State of Pennsylvania,

received only 29 out of 266 votes. And the conspicuous manner in which they placed themselves in the front, would undoubtedly have excited the apprehension, on the part of the real friends of General Jackson's administration, of their intention to revive the theory of free trade and nullification he had so successfully suppressed, had not the Presidential canvass been so directed as to cover up the real motive. This was accomplished by asserting title "to the whole of Oregon," and the obligation to annex Texas, and by disguising the theory of free trade under the general objection of fostering one branch of industry to the detriment of another, and of cherishing the interests of one portion of the country to the injury of another portion. *

* Col. Benton gives an account of the "intrigue" by which Mr. Polk was nominated, and says it was "one of the most elaborate, complex, and daring ever practiced in an intelligent country." South Carolina was not represented in the convention, but it was necessary to obtain her electoral vote in order to succeed. This was done by a bargain which, Col. Benton says, was made *by Mr. Polk himself* with a gentleman from South Carolina — a friend of Mr. Calhoun — who visited him for that purpose. The proposition to Mr. Polk was that if he would agree that Mr. Francis P. Blair should not be retained as the editor of the party organ at Washington City, he should have the electoral vote of South Carolina, inasmuch as Mr. Blair was inexorably opposed to nullification, and a strong supporter of General Jackson's policy. *Mr. Polk agreed to this* and the contract was carried out after his election by getting rid of Mr. Blair and putting Mr. Ritchie, of the Richmond (Virginia) *Enquirer*, in his place. Col. Benton then shows that "*Polk and Texas*" became the watchword in the South, and that underlying it the old nullification and disunion sentiment still existed. He gives an account of a meeting at Ashley, in South Carolina, in May, 1844, at which resolutions were adopted declaring that if Texas were not annexed, the Union should be at once dissolved, and that the Southern States should be called into convention for that purpose. He shows also, that an attempt was made to call a general meeting at Nashville, Tennessee, to ratify this threat of disunion, with the view, as that was the home of General Jackson, to secure his influence. But the people of Tennessee, with the approval of General Jackson, undoubtedly, condemned the movement, and held a meeting at Nashville, protesting against "the desecration of the soil of Tennessee, by any act of men holding within its borders a convention for any such object." Failing to obtain, in this indirect mode,

The nomination of Mr. Polk under these auspices aroused suspicion among the friends of protection in the manufacturing and agricultural States—outside the cotton-growing section. In Pennsylvania, among the most prominent of these had been the original and firm friends of General Jackson, who had supported him against Mr. John Quincy Adams in 1828, upon the express ground that he was in favor of protection and the American system, while Mr. Adams was in favor of free trade. They could not consistently vote for Mr. Polk, nor expect their State to do so, unless it were made to appear that his opinions, when a candidate for Governor in 1843, were not his opinions in 1844, as a candidate for President, but that he had become a friend of protection and of the tariff of 1842. Whether the Jesuit motto, that "the end justifies the means," was considered worthy of direct avowal or not, it became the governing principle in a most unscrupulous scheme of political maneuvering.

A letter was written by John K. Kane, Esq., of Philadelphia, to Mr. Polk, dated May 10, 1844. As this letter does not appear in any of the political histories of that time, its precise contents are unknown. They can only be inferred from the references of Mr. Polk to them in his

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the indorsement of their motto of "Texas or Disunion," by General Jackson, the scheme was thereafter prosecuted more secretly and adroitly. It, however, succeeded. Mr. Polk received the electoral vote of South Carolina, was supported by the nullifiers and disunionists, and was, therefore, indebted to the enemies of General Jackson and his administration for his election. The whole scheme is fully exposed by Col. Benton in detail, and makes a chapter unlike any other in our history. See "*Thirty years in the United States Senate*," by *Thomas H. Benton*. Vol. 11, Chap. CXXXVI, p. 591, etc., etc. See also "*Three Decades of Federal Legislation*," by *S. S. Cox*, p. 47.

reply. Whatsoever they were, he waited until June 19—more than five weeks—before preparing his answer. This gave abundant time for concert and reflection—for the discovery of some plan to steer between protection and free trade, without friction with either--as Ulysses had passed between Scylla and Charybdis, without striking on either side. A few extracts from it will abundantly show how this was done. He said:

"I am in favor of a tariff for revenue, such a one as will yield a sufficient amount to the Treasury to defray the expenses of the Government, economically administered. In adjusting the details of a revenue tariff, I have heretofore sanctioned such moderate duties as would produce the amount of revenue needed, and at the same time afford reasonable incidental protection to our home industry. I am opposed to a tariff for protection *merely*, and not for revenue. Acting upon these general principles, it is well known that I gave my support to the policy of General Jackson on this subject."

Then, he proceeded to state that, although he had voted against the tariff of 1828, he had voted for that of 1832, and for another bill of the same year which had been superseded by that of 1833, for which last he also voted; and, with an evident desire to take shelter under the mantle of General Jackson, he continued:

"In my judgment, it is the duty of the Government to extend, as far as it may be practicable to do so, by its revenue laws and all other means within its power, fair and just protection to all the great interests of the whole Union, embracing agriculture, manufactures and the mechanic arts, commerce and navigation."

The process of incubation deemed necessary to produce this extraordinary letter covered a period of about forty days—a length of time quite sufficient for the most careful

deliberation, and for conference with reference to what was necessary to say and how to say it. Nevertheless, it is so transparent that it does not require much or very keen penetration to see through it. Two objects were to be accomplished by it: First, and chiefly, the free trade advocates of the cotton section had to be pacified and held intact; second, the protection supporters of General Jackson in Pennsylvania had to be brought to the belief that the tariff of 1842 would not be disturbed in the event of Mr. Polk's election, any more than it would be if Mr. Clay were elected. These two objects were in direct and positive conflict, but that does not seem to have stood in the way. Why should it, when the Presidential office, as the means of making free trade a success, was the stake to be played for? Those who planned and directed the nomination of Mr. Polk were satisfied with his vote against the tariff of 1828, and his circular letter in 1843 to the people of Tennessee. They were wise and sagacious men, with the courage necessary to pursue their convictions, and with a thorough knowledge of the springs and motives of human conduct. They needed no other light to be thrown upon this circular letter than that derived from the knowledge of Mr. Polk's previous co-operation and affiliation with them, and were content to leave the protectionists of Pennsylvania to whatsoever method of manipulation would be most likely to "throw dust in their eyes." Therefore, the latter were told that he was "opposed to a tariff for protection *merely*"; to which, of course, there could be no objection, because neither Mr. Clay nor any of his friends

advocated such a tariff. They were told also that he supported "the policy of General Jackson on this subject," in which general statement there was a double purpose—first, to shelter himself under the mantle of the "old hero," and second, to leave it to be proved by argument addressed to public assemblages of the people, that General Jackson had always supported a protective tariff. This was not difficult to do, and it was done with the skill and ingenuity necessary to accomplish the end designed. General Jackson's letters to Dr. Coleman and to the Governor of Indiana—his frequent and earnest advocacy of protection in his messages, his opposition to nullification and free trade and their suppression in South Carolina, and his vote for the high protective tariff of 1828—furnished ample material for effective use in sections where protection was popular, especially in Pennsylvania. And to guard against the possible insufficiency of these—inasmuch as they related to General Jackson and not to Mr. Polk—the last clause in the letter was made broad and full enough to include both the constitutionality and expediency of protection. It was sufficient to base upon it the promise of "just and fair protection"—and who should demand more than that?

No letter ever written by a Presidential candidate in this country—nor, indeed, by a candidate for any office—has been followed by so long a train of injurious consequences as this. It was intended to bring about a revolution in the policy of the Government, which had almost universal sanction, and to substitute for it mere experiment, which

had not the indorsement of a single administration and was actively and successfully resisted by General Jackson; an experiment based upon the single idea—concealed but not expressed—that the cotton-growing section was entitled to the aid and patronage of the Government in a greater degree than all the other sections combined. Therefore, not a word was repeated from the circular letter to the people of Tennessee, written only the year before, wherein he had taken pains to be emphatic in declaring that he was "opposed to a protective policy," and that the interests of the country required the repeal of the tariff of 1842, and the restoration of the Compromise Act of 1833. If he had done this, the voters of Pennsylvania could have understood his purposes. Even as it was they could have discovered, if they had practiced their ordinary sagacity, that there was something in disguise—concealed beneath the surface. They might then have suspected—what they afterwards learned from experience—that the kind of "incidental protection" held out to them was only that which was incidental to the triumph of free trade—which meant nothing whatsoever for the protection of their manufactures, but everything for the protection of cotton. In view of what subsequently transpired under Mr. Polk's administration, and the consequences which followed his election, those who so cunningly conceived this mischievous plotting for sectional supremacy, assumed a painful responsibility. It is, even after the lapse of so many years, a heavy tax upon the patience of the most liberal minded, to speak of it with respectful courtesy. Not all of those who

gave it "aid and comfort" have withheld their condemnation.

One of Mr. Polk's confidential friends has written and published a "*History of the Polk Administration*," since its close.* Besides having been a gentleman of ability and candor, the author of this work was one of the Polk candidates for elector in 1844, in Tennessee, and had thorough personal knowledge of the manner in which the Presidential canvass was conducted. Independent of the well known kindliness of his nature, there were reasons why he should withhold any harshness of language upon the subject, unless constrained to do otherwise by imperious necessity. What he has said was written with becoming delicacy of expression — yet he has left to be implied even more than he deemed it expedient to avow. Alluding to the Presidential campaign, as conducted in Tennessee by himself and others, in favor of Mr. Polk, he says: "Mr. Polk was thoroughly committed to the policy of a revenue tariff," which he and all other advocates of free trade understood to be inflexible opposition to protection. Then, referring to the foregoing Kane letter, he characterizes the course of Mr. Polk as having been "by no means free from censure." And he adds — in order to show the course which the canvass took — that in Pennsylvania it was insisted by the supporters of Mr. Polk "that the two candidates occupied the *same platform* upon the tariff question"; that is, that Mr. Clay and Mr. Polk were alike in favor of protection! But well knowing that

* By the Hon. Lucien B. Chase, a member of the 29th and 30th Congresses — the former being the last two years of Mr. Polk's administration.

he would contribute nothing to the "truth of history" by leaving this statement unexplained, he felt constrained to state that the canvass in Tennessee, at the home of Mr. Polk, assumed a very different aspect — undoubtedly — although he does not expressly say so — with Mr. Polk's approval. He represents his opponent on the Clay electoral ticket as freely conceding that Mr. Clay was in favor of discriminating duties for the protection of home industry; but as insisting, at the same time, that "the language of the Kane letter" proved Mr. Polk to be as much a protectionist as Mr. Clay, notwithstanding the efforts made in the cotton-growing section to represent him as opposed to protection. This argument was employed in Tennessee to fasten the charge of duplicity upon Mr. Polk; but precisely the same argument was made by his friends in Pennsylvania, to prove his devotion to the principle of protection. But this author shows that it did not suit the purposes of Mr. Polk and his free trade friends, to concede this in Tennessee. The reason is plain; that State was on the border of the cotton-belt and might, by possibility, by means of appeals to State pride, be carried over to the side of the sectional policy which Mr. Polk's nomination was intended to advance. Everything was made to bend to that purpose. The people there were enthused by eloquent dissertations upon the beauties and advantages of free trade; while in Pennsylvania and the manufacturing regions, the zealous supporters of Mr. Polk appealed, with like eloquence, to the Kane letter, and the example and teachings of General Jackson, to prove that free trade was the

rankest political heresy, and that protection alone could save the country from bankruptcy and ruin. Alluding to this discreditable and dangerous condition of things, the author of this "History" says:

"If the principles which Mr. Polk really entertained were misunderstood, owing to the phraseology of his Kane letter, *he was not himself altogether blameless* for the *error* which was committed by his supporters. It is not to be disguised that the English language was of sufficient scope and flexibility to enable him to define his opinions with *more clearness and greater precision.* If he had stated that he was in favor of a tariff *discriminating alone in favor of revenue,* there would have been no misconception of his views. Or, if he had expressed his preference for such discriminating duties as would produce the amount of revenue needed — protection flowing as a necessary incident therefrom, every man of ordinary understanding would have comprehended his meaning. *The voters in the North were deceived by the use of language which had the effect of obscuring, instead of more clearly defining his position.* The assertion that he had sanctioned such moderate discriminating duties as would produce the amount of revenue needed, was the statement of a fact which the record confirms; and *there he ought to have stopped,* because every one understands that protection flows as a necessary incident from a revenue tariff. The statement that he was opposed to a tariff for protection merely, and not for revenue, *should have been transposed,* by asserting that he was in favor of a tariff for *revenue merely,* which would have indorsed the *principles he had always entertained,* and which he *subsequently enforced* with his characteristic ability and energy."

This statement, made by one of Mr. Polk's trusted and confidential friends, must carry conviction to every mind, that he and his friends in Tennessee understood, perfectly, the persistent misrepresentations made in his behalf in Pennsylvania and throughout the North, based upon the misleading language of his Kane letter. As to those misrepresentations, they have never been denied, but rather

boasted of as evidence of great tact and cunning, as if to deceive and mislead voters enough to change the result of a Presidential election were a thing which reflects credit, instead of shame, upon the perpetrators. Some years after, when the matter was referred to in Congress, a representative from Pennsylvania, who had participated in the canvass of 1844, as one of Mr. Polk's defenders, made this concession, when speaking of Mr. Polk and Mr. Clay: "We therefore insisted that the one was as good a tariff man as the other"; that is, that they stood precisely alike upon the question of protection.

In 1846 — after the election of Mr. Polk — it was asserted in the Senate by Mr. Webster that, during the Presidential campaign, he saw means resorted to which were designed to mislead the confiding voters of Pennsylvania upon the tariff question. Mr. Reverdy Johnson, of Maryland, affirmed the same thing by saying:

> "I will here add my testimony to the same effect. I have been myself witness once, if not oftener, to the same disgraceful exhibition. On my way to address a mass meeting at Lancaster, in that State [Pennsylvania], I stopped at the town of Columbia, and went into what I was told was a Democratic tavern. On the wall of the bar room I saw a handbill on which was printed, in large capitals: '*The tariff act of '42, to be preserved only by electing James K. Polk.*'"

Mr. Dallas, who was elected Vice-President on the same ticket with Mr. Polk, and who was then presiding over the Senate, had always been a professed friend of protection. Being stung to the quick by this remark from one of the most distinguished members of that body, he hastily

replied: "I never saw the hand bill." To this Mr. Johnson immediately retorted as follows:

"If you never saw that one, sir, you must have seen several very like it during the canvass. This handbill proclaimed to those whom some of our friends on the other side are fond of speaking of as 'the hardfisted Democracy of the country,' that there would be a meeting in Columbia a few days afterwards, and urging them to come out in their strength to hear the best men of the Democracy explain *the Democratic tariff of '42*, to hear that tariff *vindicated* from the mouths of men on whose integrity they could rely — men who were incapable of deception. Among those 'best men' was, if I remember right, the present Secretary of State [Mr. Buchanan]. He was one of those who was to demonstrate to the confiding Democracy of Pennsylvania that the tariff of '42 was a Democratic measure, that *the Whigs had attempted to defeat it*, but could not, and who called upon them to elect James K. Polk, that they might *insure the continuance of the tariff of '42*, without the alteration of a letter."

Mr. Johnson did not stop at this. In order to express more emphatically his indignation at what he had himself seen, and to make his language more direct and pointed, he continued:

"Now, I do not say that any honest man was engaged in such deception, and I have only mentioned these facts to show that the people were deceived — grossly, shamelessly, degradingly deceived,— and I hazard the assertion that no delegate from Pennsylvania will deny that if, with the candor and manliness which became him, Mr. Polk had written to Pennsylvania, avowing that should he become President of the United States, the tariff of '42 should not be suffered to stand a single session of Congress, he would to this hour, have remained James K. Polk. * * * * In the entire history of our party struggles — in all the agitations of the political elements — in all our conflicts for power, during every former period of the Government — never has there existed such absolute, open and vile deception, as has been practiced by the Democratic leaders and politicians on confiding Pennsylvania."

These references would have been made more willingly if they had omitted any allusions to party, for no desire to

excite party feeling or prejudice is entertained. But the allusions are found so interwoven with the facts to which Mr. Johnson bears personal testimony, and the opinions he expressed with regard to them, that they are used in the form in which they are found, as important in the explanation of the matter under review. By these, and the facts previously stated, it is shown, beyond any possible ground for doubt, that Mr. Polk was supported in his own State and throughout the cotton section, as the friend of a tariff for revenue only, looking in the end to free trade, and leaving domestic industry to be protected or not according to "incidental" or accidental circumstances; while he was supported in the manufacturing sections, especially in Pennsylvania, as the friend of protection to the same extent as Mr. Clay, his only competitor. With these facts indisputably settled, we are enabled to see that, as he could not have been elected without the votes of a large number of the friends of protection in the North, those who, belonging to this class, voted for him in Pennsylvania, were deceived and misled by his Kane letter. His election was, therefore, procured by fraud —that being the aptest and most fitting word in our language to express it. All candid men, familiar with the facts, have admitted it since then. The whole popular vote of that year was 2,098,611. Of these, Mr. Polk received 1,337,243, Mr. Clay 1,229,068, and J. G. Birney 62,300. The plurality of Mr. Polk, therefore, was only 38,175.*

* If the votes given to Mr. Birney had been given to Mr. Clay, he would have had a popular majority of 24,125. He would have received the electoral vote of New York and been elected.

Now, it is evident that if the protective tariff votes given to him in Pennsylvania and other Northern States, had either been withheld from him or given to Mr. Clay, he would have been defeated and Mr. Clay elected. But the deception practiced by the Kane letter produced the result intended to be accomplished by it; and it would require an immense volume to point out in detail the consequences that have followed it, as naturally as effects ever follow their causes.

This brief review justifies the assertion that, at the time of the Presidential election in 1844, a majority of the people of the United States were in favor of the principle of protection as embodied in the tariff of 1842. The manner in which their will was defeated and utterly disregarded — in palpable violation of that principle of our institutions upon which the right of self-government must rest — is now so clearly established by conceded facts, that even those born since then can, with a little investigation, fully understand it. How far Mr. Polk's administration acted in conflict with and violated this popular sentiment, we shall see as our inquiries progress. And when those not already familiar with the consequences of this violation come to realize how serious they have been, they will wonder how it was possible that such things could be accomplished in the name of the people of the United States; and they will wonder still more how it was that, after nullification and free trade had been so overwhelmingly crushed by the vigorous patriotism of General Jackson, they could become so soon revived under auspices which promised a final triumph.

CHAPTER XXXVI.

POLK'S ADMINISTRATION—ISSUE BETWEEN REVENUE TARIFF AND PROTECTION—AD VALOREM DUTIES AND DUTIES DISCRIMINATING FOR PROTECTION—POLK'S FIRST MESSAGE—NO DISCRIMINATION EXCEPT BELOW THE REVENUE STANDARD—FREE TRADE INTEREST IN ASCENDANT—ADMINISTRATION DEVOTED TO THE COTTON-GROWING INTERESTS—REPORT OF THE SECRETARY OF THE TREASURY—OPPOSED TO PROTECTION—TARIFF FOR REVENUE ONLY—NO DISCRIMINATION FOR PROTECTION.

THE election of Mr. Polk to the Presidency took the country—including his own supporters—by surprise. The most that could be claimed for him was that he occupied a respectable position among public men of the second class. Nobody placed him in the ranks among eminent statesmen. His nomination over such competitors as Mr. Van Buren, General Cass and Mr. Buchanan, after a stormy session of three days, indicated that a resolute and courageous minority could triumph over a discordant and demoralized majority, by combined and persistent action. He was not the choice of a majority of the convention which nominated him, and did not get a single vote until after seven ballots had been taken, and only 44 out of 266 votes upon the eighth ballot. Mr. Van Buren was the choice of a majority of 30, having received 146 out of 262 votes upon the first ballot. What was called the compromise which

caused his selection, was a necessity, created by the persistency with which those who had made war upon General Jackson, on account of his support of protection, asserted and maintained the right to defeat every candidate who was not in full sympathy with themselves. They understood Mr. Polk, and he was their man. His circular letter to the people of Tennessee, the year before, had given them all the assurance they desired, that if they, through him, could get control of the Government, the old and popular system of protection might be broken down, and the cotton interest be made paramount to all the other interests in the country, by means, first, of a tariff for revenue only, and then through free trade, according to the programme dictated by the nullifiers and secessionists of South Carolina a few years before. The scheme was sagaciously contrived, and, in view of the result achieved by it, deserves to be classed among those movements in public affairs which stamp the managers of them with the character of intellectual superiority. It was intended as a revolution, and the events which followed it, under Mr. Polk's administration, show how, in the end, it was skillfully made so. It might, with propriety, be called a *coup de main* in American politics.

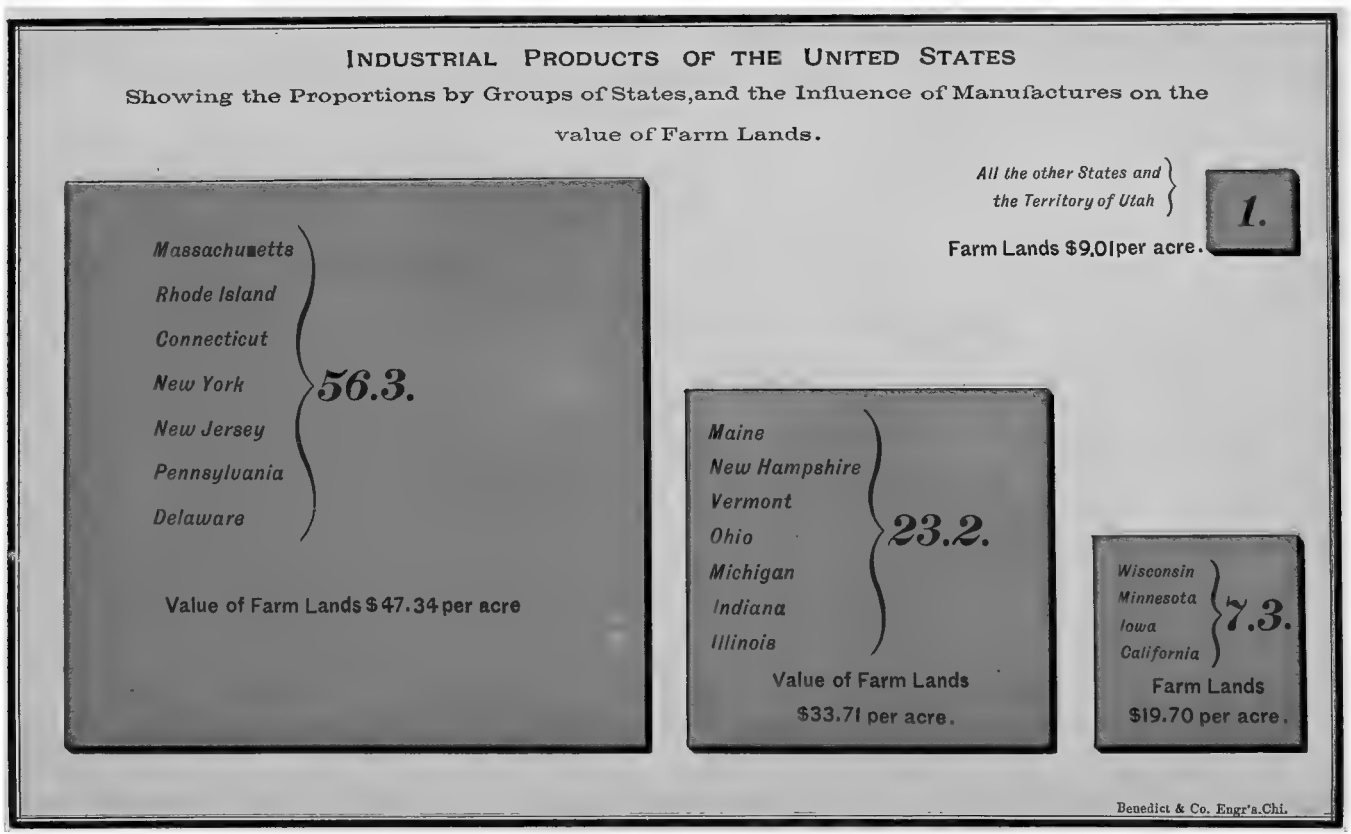
As the consequence of Mr. Polk's election, the issue between the rival principles of protection and free trade was made, immediately and sharply. It was precisely the same as that made and decided under General Jackson's administration, with this single exception, that protection was to be destroyed within the Union and by Congressional legislation, instead of by nullification and a dissolution of

the Union. The attack was made upon the tariff of 1842, as that of the nullifiers had been made upon those of 1828 and 1832. The principles remained the same — the tactics only were changed. On the part of the opponents of protection it was alleged that duties should be laid for revenue only, and, therefore, should be at a uniform rate and *ad valorem*. On the part of its friends it was insisted that this would be a step in advance towards free trade, and that, in order to preserve the principle of protection, the duties ought to be specific, and so varied, according to circumstances, as to discriminate in favor of domestic industry, as had been invariably the case from the beginning of the Government up to 1833. The old issue was distinctly made over again.

Some of the friends of protection, by way of concession, and in the same spirit which led to the compromise of 1833, did not object that a full trial should be given to the principle of *ad valorem* duties, as it had been made part of that compromise. They were willing that a thorough experiment might be made to ascertain whether, with that principle maintained, there would be sufficient guarantee against frauds; but, at the same time, they demanded, if it were retained, that it should only be in connection with that of home valuation, as that would furnish the only safe and reliable method of arriving at the true value of importations. They did not consider the amount to be assessed of as much importance as the form of assessment, and regarded the Compromise Act of 1833 as justifying higher duties than twenty per cent, if the necessities of the Treasury

Industrial Products of the United States

Showing the Proportions by Groups of States, and the Influence of Manufactures on the value of Farm Lands.



required it. Entertaining these views, they insisted that the tariff of 1842 had been, and continued to be, a positive necessity; not only because of the failure of that of 1833 to provide a sufficiency of revenue to supply the wants of the Treasury, but because a healthy revival of business, in every department of industry and trade, had followed its passage. They expressly denied the propriety of fixing twenty per cent as a revenue standard, and asserted the belief that, at that uniform rate, duties would not yield the necessary amount of revenue.

Mr. Polk did not hesitate. His Cabinet, then consisting of only six, was constructed with half its members from the North and half from the South; the Treasury Department, which deals with the questions of revenue and finance, having been placed in the hands of a distinguished supporter of free trade. The House of Representatives was organized under the same influences that produced his nomination; and, for the first time in the history of the country, there existed a well-grounded hope of success in the war upon the principle of protection. Cotton had become king at last; and the special champions of that interest who had made it so, had reached such positions of authority as enabled them to dictate political results. The men who had retired to the rear in the great nullification contest with General Jackson, had again come forward and taken positions in the front rank. They were no longer subalterns, but commanders; consequently, the mask which had been so successfully worn in the Presidential contest, being no longer of use, was promptly withdrawn, and the

purpose to repeal the tariff of 1842, was emphatically announced. As a step toward that end, Mr. Polk, in his first message, said:

"The attention of Congress is invited to the importance of making suitable modifications and *reductions* of the rate of duty imposed by our present tariff laws. The object of imposing duties on imports should be to raise revenue to pay the necessary expenses of Government. Congress may, undoubtedly, discriminate in arranging the rates of duty on different articles; but the discrimination should be *within the revenue standard*, and be made with a view to raise money for the support of the Government."

This language is plain. It directly contradicts the Kane letter, which influenced the Presidential election in his favor. It accords precisely with the circular letter issued in Tennessee in 1843, which was carefully kept from the knowledge of the people of the manufacturing States, especially those of Pennsylvania. His proposition was to reduce the duties fixed in the law of 1842, and substitute others, to be laid with reference to revenue only—that a uniform revenue standard should be fixed—and that if there should be any discrimination at all, it should be within the revenue standard; that is, *below* it. He did not recommend that there should be any discrimination whatsoever, but merely conceded that Congress had the power to make it. But if made, he insisted it should not be for protection. That was to be left to the bare possibilities which might follow a strictly revenue tariff, or from duties *below* the revenue standard. This theory—never before announced by any President, but expressly repudiated by every one—he endeavored to maintain by a style of argument not com-

monly found in Presidential messages, but which bears more the appearance of an advocate's defense than of a State paper. It betokens a consciousness of endeavoring to re-introduce an exploded and repudiated measure of public policy—something that needed to be defended, because it was intended as the substitution of a measure which had already bankrupted the Treasury, for one that had always produced abundant revenue. No special criticism of his argument, however, is intended; but, as it was accepted by the opponents of protection as the embodiment of their doctrine, it deserves to be carefully scrutinized, to the extent of ascertaining his and their actual meaning.

He recommended that Congress should fix "*a revenue standard, the maximum of which shall not be exceeded in the rates of duty imposed*"—that is, if the protection of any article should require a duty higher than that, it should go unprotected. In his opinion, but a single object should be kept in view, which was, "to raise money for the support of Government." He argued to prove that even "one per cent" of duty would "afford protection or advantage to the amount of one per cent to the home manufacturer"—incidentally—and that this incidental protection would be increased in proportion to the increase of duties. To prevent the possibility of any duty being laid with a view to protection, he proposed that the duties should be fixed at "the precise point" where "the revenue is greatest," and should not be permitted to exceed that maximum, inasmuch as they should all be laid "for the *bona fide*

purpose of collecting money for the support of the Government," and for nothing else. If they were carried "higher than that point," he considered them as levied "for protection merely and not for revenue"; in which event he thought — very strangely and against all experience — the revenue might be diminished, and, possibly, destroyed. He did not think it the duty of Congress to fix all the duties as high as the revenue standard, as that "would, probably, produce a much larger revenue than the economical administration of the Government would require." Consequently, he did not regard "a horizontal rate" obligatory. But if the duties were laid at varying rates, he considered it obligatory that there should be no discrimination except "*below* the maximum of the revenue standard," none whatsoever *above* it. And in order that the revenue standard should be fixed at the least possible rate of duty, he regarded it as necessary that "the proceeds of sales of public lands" should be continued as part of the revenue for ordinary expenses, cautiously guarding against the possibility of there being anything done for protection. With the Kane letter in his mind, he probably deemed it necessary to show to those with whom he was then co-operating, that his interpretation of it was very different from that which had secured to him the electoral vote of Pennsylvania, and his election to the Presidency, in order to assure them that his administration would contribute, as far as possible, to the results they had so long and anxiously struggled for. He had said in that letter that he was opposed to a tariff for "*protection merely*"—to

which very few if any, objected—and it had become necessary to explain what his real meaning was. Therefore, he availed himself of the message to express positive opposition to any form of direct protection, or any that did not arise out of the lowest possible revenue duties. He called it "the incidental protection which a just system of revenue duties may afford."

The Kane letter contained this positive assertion: "It is the *duty* of the Government to extend, as far as it may be practicable to do so, *by its revenue laws and all other means* in its power, *just and fair protection, etc.*" * The message not only does not assert this, but denies the existence of any such duty, by insisting that no duties whatsoever shall be laid for protection, or for any other purpose than revenue. Even the mockery of discrimination *below* the revenue standard is to be made, if made at all, for revenue only. He did not desire to see even the semblance of protection, unless it should flow by chance from revenue duties. Money to carry on the Government, and to maintain an immense army of office-holders, was everything with him—the vast material interests of the Nation, nothing.

Mr. Polk was undoubtedly sincere in the expression of these views. They were in consonance with all that he had previously said, except in the Kane letter, and that had answered the end designed to be accomplished by it. It had made him President, and given to him and his allies from the cotton-growing section, the power so to mold

* Ante, chap. xxxv, p. 355.

the policy of the Government as to defy the real sentiment of the country. No President had ever before reached that high position by like means. No merely sectional triumph had ever been previously obtained. His, therefore, was the first sectional administration—representing, as it undoubtedly did, the idea that the cotton-growing States were oppressed by the combined action of the other sections of the Union, in extending protection to manufactures and other national industries. Hence, the doctrines of his message—in direct opposition to those of General Jackson's administration—conformed to the policy of those who caused his nomination as a candidate for the Presidency; and hence, also, his own administration was so organized as to become, from the beginning, entirely responsive to their views. His Secretary of the Treasury, Postmaster-General, and Attorney-General—the only three Cabinet officers whose duties pertained to internal and domestic policy*—were all conspicuous for their sectional sentiments. Two out of the three were, with himself, from the cotton section. The Secretary of the Treasury—Mr. Robert I. Walker, of Mississippi—was more distinguished for ability than the President himself. He was classed among the extreme advocates of free trade; consequently, when he entered upon a defense of the policy of the administration, in his official report, he displayed great acuteness of reasoning. He possessed all the courage necessary for the occasion; and, as he, and those whose special interests he represented, saw evidences of the ultimate triumph of

* The office of Secretary of the Interior was afterwards created.

their free trade theory, they resolved upon striking as severe blows at the manufacturing prosperity of the North and Northwest, as was necessary to that end. He was, therefore, somewhat more specific and methodical than the President, in announcing the principles upon which the policy of the administration rested. He stated them as follows:

"1st. That no more money should be collected than is necessary for the wants of the Government, economically administered.

"2d. That no duty be imposed on any article *above the lowest rate which will yield the largest amount of revenue.*

"3d. That, *below such rate*, discrimination may be made, *descending* in the scale of duties; or, for imperative reasons, the article may be placed in the list of those free from all duty.

"4th. That the maximum revenue duty should be imposed on luxuries.

"5th. That all minimums, *all specific duties, should be abolished, and ad valorem duties substituted in their place*, care being taken to guard against fraudulent invoices and under-valuation, and to assess the duty upon the actual market value.

"6th. That the duties should be so imposed as to operate as equally as possible throughout the Union, discriminating neither for nor against any class or section."

The report wherein these principles are announced was specially approved by the friends of the administration. It was called a report "*against the protective policy*," and was so considered by the whole country. Together with the President's message, it made an issue easily understood. It was this: Whether duties should be laid for revenue only, without any discrimination whatsoever for protection, and with the ultimate view of free trade, or for revenue with discrimination in favor of protection — that is, for both

revenue and protection. The former proposition involved opposition to our whole system of tariff legislation—the latter conformed to it, and had, as we have seen, the express approval of every preceding administration.

Both the President and the Secretary of the Treasury fell into the same error as Mr. Tyler, by supposing that revenue duties and discriminating duties belonged to the same class. If they had thoroughly examined previous tariff legislation they would have seen otherwise. They were probably both misled by misinterpreting the meaning of the phrase, "incidental protection," as used by General Jackson. His understanding of discriminating duties—often expressed—was that they were protective, but not to be laid so as to produce a surplus of revenue. He considered them specific, and never proposed that they should be abolished. Nor did he ever recommend discrimination *below* a revenue standard.

It cannot be maintained—as stated by Mr. Polk—that any merely nominal revenue duties will furnish *some* protection. If such were the case at all it would be shadowy and unsubstantial, and could not be attended by any practical or beneficial results. The object of protection—as defined by all previous Presidents, and especially by General Jackson—is to prevent the manufactured fabrics of other countries from driving our own from our home markets. If the duties are made merely nominal and for revenue alone, the amounts collected would, of course, go into the Treasury; but it would afford no protection to home manufactures or industry. On the contrary, they would be

destroyed, and, by putting an end to all competition, foreign manufacturers would be enabled to control our markets, regulate prices, and impose upon us just such kinds and quality of fabrics as they could export at the largest profit. It is easy, therefore, to see that we can have no home markets without protection, and, in order to make it effective, it must be something more than nominal. If to supply ourselves with the productions of our own labor and industry — especially with those things which are necessary in time of war — is an object worthy of consideration, then it is clear that the measure of protection is that which shall accomplish it. Any other measure than that would necessarily be ineffectual. All accept the idea of a revenue standard, which should be fixed with reference to the amount necessary to supply the wants of the Government, and based upon the estimated value of importations. This is easily done, and in laying duties with a view to revenue only, it is all there is to do. But, in the universal practice of the Government, previous to Mr. Polk's administration, it has always been considered that there is also a protective standard — varying, of course, with each article according to circumstances, and, therefore, not uniform but specific and discriminating. One article may require higher duties than another, and, consequently, if it is to be protected, the duties should be laid accordingly. To ascertain the true rate, so that the amount of protection required shall be given, without making the duty prohibitory, involves the exercise of judgment and discretion. But when the proper result is reached, then it becomes the protective standard,

in so far as it regards the particular article to be protected. This is what is meant by discrimination — which, therefore, applies to protection and not to revenue. For, if there were no necessity for protection, the necessary amount of revenue might be obtained by a system of uniform *ad valorem* duties, and the only question with reference to it would be the proper graduation of the duties by the necessities of the Treasury. There would then be a mere revenue standard, but no discrimination.

Neither Mr. Polk nor Mr. Walker attached to discrimination the meaning here stated. They recognized it as within the discretion of Congress, but by recommending that, if made, it should be "within the revenue standard," and with the sole view of raising revenue, they indicated a wish so to weaken, if not to destroy, the principle of protection, that it could avail nothing to those engaged in domestic industries. According to their theory, if there should be any necessity to discriminate for protection at all, it should be done by discriminating *below*, and under no circumstances *above* the revenue standard, that is, in "the *descending* scale." Not only, therefore, did they make protection entirely subordinate to revenue, but absolutely denied it, in all cases where it could only be afforded by duties *higher* than the revenue standard, or in the *ascending* scale. To illustrate: If the revenue standard were fixed at twenty per cent, as it was prospectively by the Compromise Act of 1833, and it should be ascertained that any given article required a duty of twenty-five per cent, in order to protect some particular home industry, it would, according to their

theory, have to be left unprotected, for the reason that, if there should be any discrimination whatsoever, it must be "within the revenue standard." This is discrimination against protection and against domestic industry, but in favor of foreign over home productions. It invites the importation of the former to take the place of the latter in our home markets. It recognizes the Government as formed for no other or higher purpose than to raise money and expend it—as being obliged to conduct its affairs with reference only to the preservation of its own administrative machinery, and ignores entirely the various industrial pursuits by means of which our natural resources have been wonderfully developed, and without which it would have been impossible to have obtained our present position in the front rank among the nations.

Nothing like these propositions which came from Mr. Polk's administration, ever emanated from any former President. They involved the abrogation of principles which had been hitherto recognized and well established under all previous administrations; and the substitution for them of experimental measures which had never been tried by our own or any other commercial country in the world. No practical statesman had ever suggested or defended them; and there is abundant proof in our history to show that they would have found no patrons in the United States but for the falsely supposed antagonism between the interests of the manufacturing and cotton-growing States. The administration, however, being fully committed to them; and Mr. Polk being held firmly in the grasp of men

far superior to himself, did not stop at half-way measures, but endeavored, through the Secretary of the Treasury, to pluck up the whole system of protection by the roots, and leave everything that pertained to the development and internal prosperity of the country to take care of itself, and the laboring masses of the people to take care of themselves. Whatsoever else may be said of the administration, it had the merit of making this issue plain, palpable, and emphatic.

CHAPTER XXXVII.

SECRETARY OF THE TREASURY ADVOCATES FREE TRADE—THINKS NUMBER OF FARMERS SHOULD BE INCREASED—DISCARDS JACKSON'S OPINION—POLK'S ADMINISTRATION CONTROLLED BY FREE TRADE AND NULLIFYING INFLUENCES—THEORY THAT LOW PRICE BREADSTUFFS MAKE HIGH PRICES FOR COTTON—FREE TRADE INJURIOUS TO AGRICULTURE—TARIFF OF 1846 PASSED AND THAT OF 1842 REPEALED.

NO man understood better than the Secretary of the Treasury, Mr. Walker, that to assure reasonable prospects of success to any new and untried measure of policy, its supporters were obliged to furnish some reasons —at least plausible—upon which its defense could be rested. Therefore, he devoted himself, in his report, with great assiduity and ability, to the construction of an argument to show that the duties which had been levied for protection under the old and popular tariff laws, imposed too much restriction upon commerce, and violated the sound principles of political economy, because they stood in the way of the establishment of free trade. He could not shut his eyes to the fact that protection had been beneficial to the manufacturing interests, and that they had reached a high state of prosperity by means of it. But he did not regard that as furnishing any good reason why these interests should not be thereafter neglected, or even destroyed; because, in his opinion, protective

duties operated unequally upon the sections — that is, although manufactures benefited those sections where they existed, they were injurious to those sections where they did not exist. He did not seem to have any struggle in his own mind with regard to the preference he desired the Government to show to the latter over the former sections; and, without equivocation, committed himself and the administration to the theory of an exclusively revenue tariff, with the view of laying the foundation for ultimate free trade. It did not seem to occur to him that the destruction of so important an interest as that of manufactures — from which so much general prosperity had been derived — would be bad and ruinous policy on the part of the Government. On the contrary, he exhibited something like infatuation at the idea that, by prostrating the interest of one section, that of another would be thereby advanced. In his mind, the controversy was entirely sectional; and he — following the example of the President — did not hesitate to approve and recommend a policy which placed the administration upon the side of the cotton-growing section, and against all the other sections of the Union.

He was too wise not to know that it was necessary to go to the bottom of the question, so as to upturn, if possible, the foundation upon which the protective system had rested from the beginning of the Government. Consequently, we find him uttering sentiments which deserve the closest scrutiny, as follows:

"We have more fertile lands than any other nation, can raise a greater variety of products, and, it may be said, could feed and clothe

the people of nearly all the world. Agriculture is our chief employment. *It is best adapted to our situation.* We can raise a larger surplus of agricultural products, and a greater variety, than almost any other nation, and at *cheaper rates.* Remove, then, from agriculture, *all our restrictions,* and by its own *unfettered* power it will break down all foreign restrictions, and *ours being removed,* would feed the hungry and clothe the poor of our fellow-men, through all the densely peopled nations of the world."

In the pursuit of these general ideas, Mr. Walker labored to demonstrate that the restrictions to which he refers—that is, tariff duties—have depressed our agriculture by imposing burdens upon it. Then, with this proposition established to his own satisfaction, he hastened to the conclusion that, by removing these restrictive duties by establishing free trade, agriculture would become unfettered, and we could turn our attention to the cultivation of our vast tracts of public lands, and feed and clothe the world with our surplus products. He thought we should certainly accomplish this, because we would be able to furnish these products "*at cheaper rates*" than they could be procured elsewhere; that is, be enabled, on account of their *low* prices, to force them into foreign markets, and "break down all foreign restrictions." His meaning was plainly this: That if we should take off our tariff duties entirely and thereby remove all restrictions upon commerce—abandon our manufactures—turn our attention more extensively to agriculture, and thus establish free trade, we should be able to force other governments to free trade also, because of the fact that we should flood their markets with our agricultural products "*at cheaper rates*" than they could produce them for themselves.

His conclusion as to the *cheapness* of our agricultural products, under the state of case made by him, is entirely accurate. Any man with capacity enough to reason at all, can understand, and will concede the proposition that, if we were all farmers and all produced a surplus of agricultural products, the prices would necessarily be cheapened for the want of buyers. Nothing can be plainer than this. And yet, that is precisely the condition of things which Mr. Polk's administration — by the aid of the Secretary of the Treasury, who was chosen for the purpose — desired to bring about by the action of Congress. It is what was expected would be accomplished by free trade — "unfettered" commerce — and what it would undoubtedly accomplish in this country, if ever established.

This same question was thoroughly discussed under Washington's administration — when the great men of that time were engaged in laying the foundations of a national policy — and the opponents of manufacturing and mechanical industry were completely silenced by the unanswerable arguments of Mr. Hamilton, as Secretary of the Treasury, and by the prompt response of Congress and the country. The original argument — that from which Mr. Walker drew his inspiration — was revived during General Jackson's candidacy, and he exposed its fallacy in his letter to Dr. Coleman. Condensing the arguments of Mr. Hamilton into a brief compass, he there pointed out the difference between home and foreign markets, and declared the former to be absolutely necessary to keep us from becoming "subject to the policy of the British merchants." In

order to enforce his views, he pointed out the fact that we then had no foreign markets for our products "*except for cotton*," and no home markets upon which we could rely. Then he asked this pertinent and most significant question: "Does not this clearly prove, where there is no market either at home or abroad, that there is *too much labor employed in agriculture*, and that *the channels for labor should be multiplied?*" He not only asked, but answered this question himself, in words so full of meaning that they can not be too frequently repeated. He said:

"*Draw from agriculture* this superabundant labor, employ it in mechanism and manufactures, thereby creating a home market for your breadstuffs, and *distributing labor to the most profitable account;* and benefits to the country will result. *Take from agriculture* in the United States 600,000 men, women and children, and you will at once *give a home market for more breadstuffs than all Europe now furnishes us with.*"

Let a comparison be made between these practical and sensible thoughts, and the false reasoning of Mr. Walker, and it will at once be seen what mischievous and ruinous results would follow the adoption of the latter. General Jackson reasoned like a statesman who had at heart the welfare of the entire nation; Mr. Walker, like a politician, desirous to win a sectional triumph, by substituting speculative theories for a system of measures sanctioned by more than half a century of experience—by pulling down what it had required many years to build up. Yet, directly in the face of all this experience, and of this clear and sagacious admonition of General Jackson, the administration

of Mr. Polk employed all its influence in behalf of an experimental scheme, designed to reverse the existing condition of affairs, by adding to, instead of taking from, our agricultural labor, in order to *cheapen* its products and thereby, through the instrumentality of free trade, to benefit foreign instead of creating home markets. The professed object was to induce England to repeal her corn laws, and allow the entrance of our breadstuffs in her ports, so that, in the absence of home markets, we could sell our surplus produce in that country. There was perfect accord in sentiment between the administration and English statesmen. The latter were satisfied that if our manufactories were destroyed, we would be compelled to buy English goods, at English prices, and for the benefit of English labor and capital. They could understand that, as all our industry—or the great bulk of it—would then be concentrated in agricultural pursuits, our surplus would be so enormous as necessarily to reduce the prices. And they knew also, that, even after it was thus reduced in price in this country, it would have to be still further reduced when it reached their markets, so as to compete with the products of the Baltic and other parts of Europe, where laborers are kept in the condition of paupers by low wages. It is not to be wondered at, therefore, that the policy of the administration found strong support in England, inasmuch as its permanent establishment would promise the most effective means that could be devised of making us and all our interests completely dependent upon that country. The wonder is that a policy, prescribed for us by the

sagacious and experienced statesmen of England, should have found such official indorsement among our own people.

Why did it receive this indorsement? General Jackson furnished the key to the solution of this problem in his Coleman letter, when he explained that we had no foreign markets for our surplus, "*except for cotton.*" This important staple had increased so much in magnitude as to demand the continued fostering care of the Government, and had then become one of the most conspicuous factors in the politics of the country. At the time of Mr. Polk's administration the effort to make it more so than ever—which effort had been defeated under General Jackson's administration—was revived. Congress was asked to legislate so as to increase and keep up its price, no matter how much the prices of breadstuffs and other agricultural products declined. It was claimed for it that, being the greatest and most important interest in the country, it had the right to demand special favor—not by direct and affirmative legislation, but by withholding protection from other branches of industry, upon the ground of a rivalry between it and them. It required free trade to accomplish this, and the Secretary of the Treasury, as the official organ of the administration and the special champion of its interest, directed all his energies and influence to that end. Under the pretense that all the other interests of the country—agricultural, manufacturing, mechanical and commercial—had prospered at the expense of those engaged in producing cotton, he was able to combine a very

considerable portion of these in opposition to all other interests; and they, as exultant as he, congratulated themselves that, for the first time, they had the administration to back them.

The Secretary of the Treasury is entitled to credit for his frankness, displayed in a few words, whereby he explained why he was so earnest in his support of free trade, or of discrimination "within the revenue standard," which he considered an important step in that direction. He said: "While breadstuffs *rise* with a bad harvest in England, cotton almost invariably *falls*." The idea here expressed is this: that when the English manufacturer has to pay high prices for breadstuffs, or—what is the same thing in effect—when the English laborer has to do so, he had to pay increased wages for labor; which compelled him to pay low prices for cotton in order to keep up his profits; whereas, when breadstuffs were cheap he could afford to pay high prices for cotton. And this explains the reason why the advocates of a tariff for revenue only, or a free trade tariff—with the President and the Secretary of the Treasury at their head—insisted that our manufacturers should all become agriculturists, by cultivating our broad tracts of vacant land, so as to reduce the price of all our surplus products, *except cotton.* And thus the whole controversy between the friends of protection and those of a tariff for revenue only, was brought within the compass of a nutshell.

The matter may be easily comprehended. The wages of labor in England are kept down to the lowest rates, that

the profits of English manufacturers may be increased. This cannot be done without also keeping down the cost of subsistence, by cheapening the prices of breadstuffs Hence, British statesmen and manufacturers advocate free trade *for the United States*, so as to destroy the home markets for our agricultural productions, in order that they can regulate and cheapen their prices in English markets, and also monopolize the American trade in manufactured fabrics; and, as the surest means of accomplishing this, they persuaded American growers of cotton to believe that, by adopting their theory, better prices for their cotton would be secured. From the standpoint of English interests this may be regarded as a proper thing to do. But from that of American interests, it could not be otherwise than prejudicial to the public welfare that an important section of this country should co-operate with English strategists, in order to secure to the latter the power to cheapen the agricultural productions of another section, although they might thereby obtain temporary profit. It had somewhat the appearance of attaching a pecuniary value to patriotism, and measuring it by dollars and cents.

There were other reasons for desiring that preference should be given to the cotton-growing over the agricultural and manufacturing interests, which were well understood by the representatives of the former. It was unquestionably clear to them that if, by the policy of free trade, the prices of our agricultural products would be reduced, the English manufacturers could not only afford to pay higher prices for cotton, but would be able to furnish cotton fabrics

at reduced prices for the time being; that is, until American manufactures were destroyed and all competition removed. To them, therefore, it seemed proper that the prices of everything produced in this country should be reduced, *except cotton*, which, along with the profits of the English manufacturers, should be increased. Consequently, the argument culminated in the idea that the interests of the cotton-growing section demanded that the prices of our agricultural products should be reduced, in order to increase the price of cotton and lower the prices of cotton fabrics, according to the low standard of wages in England.

There could be no greater fallacy than this. There is no necessary antagonism between the American manufacturer and the American cotton-grower. Protection to the former, in a just degree, is as beneficial to one as to the other, in a pecuniary point of view. In the first place, it provides a steady and sure home market for the raw material, at fair prices. In the second place, it furnishes better manufactured fabrics than are imported from abroad. If these were the only considerations, they alone are sufficient to prevent such fluctuations in the price of cotton as often occasion great embarrassment to the planter. But there are others also. The raw cotton would reach the manufacturer without duty, so that when sold at the market price, the profits would all go into the pockets of the producer—less only the cost of handling and comparatively short transportation. This would invite additional manufacturers in all parts of the country—the nearer to the cotton-

grower the better—and create increasing competition, which would reduce the price of the manufactured fabric, and tend to regulate and keep at a fair rate that of the raw material. And, besides, by creating a dependence of each upon the other, it would give such stability to both as to secure to them permanent future advantages. Each would thus secure a home market, and the demand for the raw material, in the home market, would continue to increase in proportion to the supply, so that if more fabrics were manufactured than should be required for home consumption, they would find sale by exportation to other countries, all the risks and hazards of which would have to be borne by the manufacturers. And still further, the recognition, upon the part of the manufacturer and the cotton-grower, of this identity of interest, would constitute a perpetual bond of union between the people of the several sections of the country, binding them together in that fraternal concord which ought never to have been suspended, and which nothing hereafter should weaken.

How much more preferable it is that all the sections of our common country should harmonize thus together, and enjoy this mutuality of interests, than that either should become, in the least degree, dependent upon foreign influences for its prosperity. Everybody at all familiar with the history and policy of England understands that, if that country could succeed in destroying our manufactures, it would not stop short of an entire control of our markets; and that the certain result would be that the English manufacturers would buy our raw materials and sell us their

fabrics, at just what prices they pleased. Whatsoever competition would then exist would be in England, under the control of combinations formed with reference to the interests of that country and not of ours; and thus, the injury inflicted upon us would be felt in all parts of the Union.

Free trade, therefore, would not only prove hurtful to all sections of the United States, in a commercial point of view, but by creating discord between them, it would become the enemy of the Union. If the attempt to introduce it had not engendered antagonisms which ought never to have existed, our late civil war would have been avoided, and the cotton-growing States would not have been compelled to reap its bitter fruits. All parts of the country should learn wisdom from these sad experiences, and shun them in the future as we do the desolating pestilence.

Notwithstanding all these considerations, the administration of Mr. Polk triumphed, by securing the passage of the Tariff Act of 1846, which repealed that of 1842. It passed the House of Representatives by a vote of 114 to 95. The Senate was equally divided — 27 for and 27 against it — but it was passed by the casting vote of Vice-President Dallas, who was unable to resist the pressure brought to bear upon him, but who lost his popularity in Pennsylvania, and never was able, during his life, to regain it. When the consequences of this measure are fully understood, it will be seen how unwise it was — how it embarrassed the Treasury, imperiled the credit of the Government, and inflicted injury upon the entire Union.

CHAPTER XXXVIII.

TARIFF OF 1846 REDUCED DUTIES TO INCREASE REVENUE—THAT OF 1842 PREFERABLE FOR THAT PURPOSE—COMPARISON OF RECEIPTS FROM CUSTOMS—EXPENDITURES—PUBLIC DEBT INCREASED—TARIFF OF 1842 WOULD HAVE PAID DEBT AND LEFT SURPLUS—COTTON DECLINED IN PRICE INSTEAD OF ADVANCING—CAUSES OF INCREASE OF IMPORTS—TARIFF OF 1846 UNWISE—FAILURE AS A REVENUE MEASURE—FALSE PREDICTIONS OF ITS FRIENDS.

THE tariff of 1846 was intended to put an end to protection—to entirely annihilate a policy which had been approved by our best and wisest statesmen, and by an immense majority of the people. It was not designed that the work of destruction should be accomplished by a single blow, for fear of recoil; but that free trade should be gradually approached through the pretense of a tariff for revenue only. As such this act was supported and passed, and interpreted in the light of the arguments made in its defense—including what was said by the President, the Secretary of the Treasury, and its supporters in Congress—it is not too much to say, that no such ruinous and destructive policy was ever put in operation in all the history of the country. Everything that transpired tended to show what its ultimate purpose was, and that the course of its advocates towards actual free trade, was only arrested by fear of the popular indignation in the agricultural and manufacturing sections. It was deeply regretted that this

desired object could not be immediately accomplished. Prophecies of the advantages of free trade were abundant —furnishing ample scope to the genius and eloquence of its advocates. The author of the "History of the Polk Administration"—heretofore mentioned—when speaking of the act, says:

"In every aspect in which the policy of free trade, *as illustrated by the tariff of 1846*, can be viewed, it commends itself to the favorable consideration of the American people. It is incontestably true that trade between nations, to be extensive, must be beneficial to both. A fair exchange of the productions of one for the other, can alone produce that result."

The act—as its title imports—reduced the duties, the avowed pretense being that thereby the revenue would be increased. Whatsoever of discrimination it contained was intended for revenue only, and against all kinds of domestic industry, especially manufactures. Upon the bulk of the articles upon which protective duties were laid by the tariff of 1842, they were reduced to thirty, twenty-five, twenty, fifteen, and ten per cent. It provided for twenty per cent *ad valorem* upon all articles not enumerated in the several schedules; and this—it may be fairly supposed—was considered to be the revenue standard. Where any duties went above this standard—say to twenty-five per cent—it must be understood to have been a reluctant concession to some of the friends of protection—a sort of "tub thrown to the whale"—but not in consonance with the wishes of the administration, which had expressly denied the right to discriminate *above* the revenue standard, if at all. There-

fore, it is proper to say that the object of the act was opposition to protection—which it was designed to destroy. But as the special defense of it rested upon the ground that it was a revenue measure exclusively, and, in that respect, preferable to the tariff of 1842, it is necessary to compare the operations of the two acts, with regard to revenue, in order to decide between them.

The aggregate amount of revenue from customs during the four years of the operation of the tariff of 1842 was $97,109,411, collected upon $309,178,151 of dutiable articles—the average rate being thirty-three per cent. That received for the same length of time—the first four years—under the tariff of 1846, was $123,920,411, collected upon $517,963,037 of dutiable articles—at the average rate of twenty-four and one-half per cent. Thus it appears that, during the last four years, under the tariff of 1846, the dutiable goods exceeded those of the four former years, under the tariff of 1842, $108,784,886. Yet the revenue of the four years under the tariff of 1846 exceeded that of the previous four only $26,820,969; whereas, if the increased dutiable articles upon which this was produced had been subject to the duties fixed by the tariff of 1842, they would have produced $170,927,712 of revenue, or $47,006,301 more than was actually received under the tariff of 1846.

This comparison is confined to two equal periods, and could not be carried further, because the tariff of 1842 stood only four years. Yet it is sufficient to show that, as regarded revenue, the tariff of 1842 was preferable to that

of 1846. And this preference is more apparent when the expenditures are considered.

The ordinary expenditures for the four years of the tariff of 1842 were, in the aggregate, $80,220,444, and the receipts from customs for the same period being $97,109,411, left an excess of the receipts over the expenditures of $16,888,967, which constituted a surplus in the Treasury, applicable to the payment of the public debt, and the redemption of the outstanding Treasury notes which the Government had been compelled to issue during Mr. Van Buren's administration, when the revenue also fell short, as we have heretofore seen, under the Compromise Act of 1833. The expenditures of the first four years of the tariff of 1846 were, in the aggregate $176,128,555, and the receipts from customs, for the same period, being $123,920,411, left *the expenditures $52,108,144, in excess of the revenue*, to be added to the public debt. Thus, while a larger aggregate amount of revenue reached the Treasury, under the tariff of 1846, than under that of 1842, during the years named—on account of the increase of dutiable articles—yet the foregoing facts demonstrate that, considered with reference to the necessity of raising a sufficiency of revenue to carry on the Government, the act of 1842, with protection, was a better revenue measure than that of 1846, without protection. The former left a surplus in the Treasury and helped to pay the public debt; the latter created a deficiency and added to the public debt. Can demonstration be clearer than this? If it needed to be made plainer it can be done by reference to the condition

of the public debt during each of the aforesaid periods of four years. In 1843, the first year of the operation of the tariff of 1842, the public debt was $32,742,922; whereas, in 1846, the last year of its operation, it had been reduced to $15,550,202—that is, $17,192,720 of the debt had been paid. In 1847, the first year of the operation of the tariff of 1846, the public debt was increased to $38,826,534, or $23,276,332 in one year; and in 1850—the last of the four years embraced in this comparison—it had increased to $63,452,773, or $47,902,571 in the four years!

The superiority of the tariff of 1842 over that of 1846, as a revenue measure, is thus incontestably shown. It would be difficult to make proof more conclusive and satisfactory to fair-minded people.

And yet, if there are any who still doubt, after a careful consideration of the above facts, confirmatory and cumulative evidence will be found by extending the comparison somewhat further. The tariff of 1846 remained unchanged until 1857, and was, consequently, in operation for eleven years. During these eleven years the aggregate amount of revenue received from customs was $523,957,872, while the expenditures for the same period were $545,748,777. Thus the expenditures for these eleven years exceeded the revenue $21,790,805. This, of course, caused an increase of the public debt, so that by the next year, 1858, it amounted to $44,911,881.03, and by 1859 to $58,496,837.88, under Mr. Buchanan's administration and under a law passed by those who boasted of it as a measure for revenue

only — that is, under a law which produced almost every other result than that for which it was expressly intended. The aggregate of the dutiable articles upon which this revenue was raised, during these eleven years, was $2,173,428,818. If, therefore, instead of being levied, as they were, under a tariff professedly for revenue alone, the duties had been regulated by the protective tariff of 1842, there would have been received from customs, during the eleven years, $717,431,509, or $193,474,637 more than was received under the tariff of 1846. This would have produced revenue enough to carry on the Government and pay the entire Mexican war debt; and instead of there being a public debt of $28,699,831 — as there was in 1857, the last year of the tariff of 1846 — there would have been a surplus to be expended for rivers and harbors, the building of a suitable navy, putting the country in a condition to be prepared for war, and such other improvements of a national character, in every section of the Union, as might have been deemed expedient and proper,

In view of what has since transpired, under the lead of those who brought the country into this condition, by the pursuit of their visionary theories of free trade and a tariff for revenue only, it is not surprising that they have been suspected of having foreseen that the ultimate end they contemplated — the inauguration of civil war — would be more favored by an empty than by a full Treasury. If, as their conduct seemed to indicate, true patriotism consisted in devotion to one particular section of the country and antagonism to all other sections, then they are liable to the

imputation of having considered it patriotic to weaken the authority and destroy the credit of the National Government, so as to lessen its means of defense against attack whensoever it should be deemed advisable to make it. Certainly, no more effective means of embarrassment could have been contrived than the financial derangement of the Treasury—which result was most effectually accomplished.

The amount of revenue from customs depends—as everybody understands—upon imports. These are determined by the demand for foreign articles, which arises out of the prosperity and interests of domestic commerce. When the country is prosperous and money plenty, the demand for foreign productions is increased; when otherwise, it is diminished. It so happened that during 1847—the first year of the tariff of 1846—the imports were increased, because the *exports* were. We bought more because we sold more—a condition of things which seems to be the result of an inflexible law. The failure of the crops in Europe created an unusual demand for our breadstuffs and other surplus productions, and as our crops were good we had no difficulty in supplying it. The exportation of our agricultural products increased because of this failure, and good prices were obtained. This enabled us to increase our importations, and—what was of far more importance—to pay for what we bought. The friends of the tariff of 1846 enjoyed temporary exultation at this, but seemed, at the same time, unconscious of the fact that the law had failed to accomplish the chief object designed by it

—that is, improvement in the condition of the cotton-growing section. The effect there was the very reverse of what was intended and predicted; for, while the exportation and prices of agricultural and manufacturing products were increased by the European demand, both the exportation and price of cotton declined, for the want of the same demand. The number of bales of cotton fell from 2,072,000 in 1845—the last year of the protective tariff of 1842—to 1,241,000 in 1847—the first year of the revenue tariff of 1846; and the price, within the same period, fell from $35 per bale in 1845 to from $26 to $28 in 1847. The decreased exportation having been 831,000 bales, the loss to cotton-growers—at an average of $27 per bale—was $29,085,000, estimating the price as it was in 1845; and the absolute loss, at the price paid in 1847, was $22,437,000. Even if the exportation had been as great in 1847 as it was in 1845, the loss in consequence of the decrease in price would have been $6,648,000.

The increase of imports in 1847 is easily accounted for; and if fully comprehended by the intelligent and thinking people of the cotton-growing section, they would undoubtedly see that they have already suffered sufficiently by their advocacy of the false theory of free trade, and would pause and seriously reflect before going further in that direction. Considering how competent they are, upon general questions, to distinguish between the true and the false, and the quickness and accuracy of their perceptions, it is surprising that they have not already realized the immense sacrifices they have made in the pursuit of visionary schemes of

policy, while their brethren of the Northern, Central and Western sections of the Union have secured a steady increase of prosperity by discarding illusive theories and profiting by the practical measures which "the fathers" established for the full development of all the sections. They have been misled by the generous and unsuspecting confidence they have bestowed upon ambitious advisers, and if they could be induced to make appeal to their own good sense, they would soon witness such a development of their local resources as would remove all possible cause of jealousy at the prosperity of other sections.

The additional imports for the year 1847 were attributable to the increased prosperity of the agricultural and manufacturing sections of the country.* As the facts just stated show, the cotton-growing section did not contribute toward it. Notwithstanding the decrease of duties under the tariff of 1846, that section was subjected to a severe financial pressure, which many now living will remember. It is manifest, therefore, that this reduction of duties was not attended by the results predicted, especially as it regarded their influence upon the price of cotton. Consequently, the special friends of that interest learned — or ought to have learned — that the English market is far more uncertain and unreliable than an established home market, because it is subject to variations occasioned by the

* Although cotton-growing is a branch of agriculture in a general sense, it has been deemed most advisable to treat the agricultural section as that from which the agricultural surplus is consumed or exported in the form of breadstuffs.

shifting condition of European affairs, and the success or failure of European and Asiatic crops.

It was not difficult to see, at the time the tariff of 1846 was passed, that the rate of duties fixed by it would not produce the amount of revenue demanded by the wants of the Government, without an unprofitable increase of importations — that is, unless, by undue stimulation of our trade, we bought more largely from foreign nations than we had ever done when our trade was in a healthy condition. But when the effort was made by the opponents of the measure to demonstrate this, it scarcely attracted a passing notice. Such was the intensity of the prevailing passion among the supporters of the administration that all argument, no matter how unanswerable, was wasted upon them. The imports, exclusive of coin and bullion, for the year 1845, amounted to $113,184,322, with the same amount of importations estimated for 1847, and with the duties assessed at the rates fixed in the act of 1846, there would have been $28,296,080 of revenue to supply the Treasury for that year. Yet, this plain and simple proposition—a mere matter of figures—was so disregarded, in consequence of the intense anxiety to reduce the duties, that the revenue raised for 1847 fell $4,783,196 short of the expenditures, notwithstanding the increase of imports occasioned by the general prosperity. The serious defect in the mode of reasoning adopted by the friends of the tariff of 1846 was this: that they considered their ends answered by inviting increased importations for the sole purpose of raising revenue, without giving due consideration to our

ability to increase our exports — in other words, they stimulated purchases of foreign goods without giving proper concern to our ability to pay for them. The effect upon the revenue would have been the same, whether payment for imports had been made in specie, breadstuffs or cotton. But it did not require much wisdom to foretell that financial embarrassment would ensue if we had not breadstuffs and cotton enough for exportation to keep the balance of trade from being too largely against us. Now, as the exports of 1847, from the agricultural and manufacturing sections were increased in consequence of the failure of the crops in Europe, and those from the cotton-growing section were diminished in consequence of the limited demand in the English market, it is evident that the Government was saved from a large deterioration of the revenue by the commerce furnished by the agricultural sections — or, in other words, by the prosperity of those sections in which, by Government protection, the agricultural and manufacturing industries had improved by being brought into harmony. The increasing prosperity of these last named sections had, by the year 1847, given great impetus to railroad enterprises. In every direction, throughout the whole extent of them, railroads were projected, and in the neighborhood of a thousand miles of track had been laid that year. This, of course, caused a very considerable increase in the importation of iron rails and machinery, and a consequent increase of revenue. The fact, therefore, is perfectly evident that, whatsoever increase of revenue there was in 1847 — the

first year of the tariff of 1846—is attributable to a cause which, at the time of its passage, was not and could not have been foreseen or anticipated. Consequently, the conclusion is unavoidable that, considered as a mere revenue measure, it was unwise and purely experimental legislation—such legislation as ought to be studiously avoided in all matters where the public welfare is so largely involved.

And the same may properly be said of all the other ten years of the operations of this act. The railroad system had received, during these years, wonderful additional impetus, and the importation of iron rails and machinery was correspondingly increased. From 1847 to 1857 the number of miles of railroads in the United States had increased from a little over 500 to about 25,000 miles. Of these less than 4,000 miles were within the limits of the cotton-growing section, while the remainder, over 20,000 miles, were within the limits of the agricultural and manufacturing sections. The increased business in the latter sections, occasioned by the construction and operation of these railroads, caused, necessarily, very great increase of importations and revenue during the entire eleven years of the tariff of 1846. But for this, the new system inaugurated by that act would have collapsed at the expiration of the first year. It was, consequently, the prosperity of the agricultural and manufacturing sections that saved the Treasury from bankruptcy.

It is improper to infer from these, or from any other state of facts, that the interests of the agricultural and

manufacturing sections and those of the cotton-growing section, are, in any proper sense, hostile to each other. On the contrary, they show conclusively—and are referred to for that purpose only—that the cotton-growing section acted injudiciously and unwisely in not maintaining the principle of protection, after having conspicuously aided in its establishment. A different course would have secured to it the same degree of commercial prosperity and the same material progress as are now enjoyed by the other sections. It was a great mistake—a positive blunder—for the cotton-growers to suppose, at the dictation of impassioned advisers, that they could rely more safely upon the manufacturers of England for the sale of their cotton than upon those of their own country—upon foreign in preference to home markets. An intelligent observation of the facts herein stated, if placed fully before them, would enable them to see this; especially when they realize, as they could not fail to do, that the country was indebted for the increase of imports and the consequent increase of revenue, under the tariff of 1846, not to the reduction of duties, but to the increased commercial and material prosperity of the agricultural and manufacturing sections over theirs. There is no natural rivalry between these sections, and the creation of it is injurious to all. It should never have existed, and the authors of it were bad advisers, no matter who they were, or to what degree of admiration they were entitled on account of their eminent abilities or excellence of character.

It was urged by these advisers, when the Tariff Act of

1842 was under discussion in Congress—in opposition to the principle of protection and in favor of free trade—that the duties then proposed would operate injuriously upon the cotton-growing interests, because they would become a tax upon them, which would be paid by increasing the prices of manufactured articles to the extent of the duties. To establish this proposition it was alleged that the duties upon cotton-bagging, rope and twine, were of this character, and would increase the cost of these articles two and a half per cent, which would fall heavily upon the producers of cotton. The answer to this was the general argument that the prices of manufactured goods are regulated by competition and not by duties—that by the increase of manufactures competition is increased also, and tends to lower their prices—and that they are, by these means, not infrequently brought down almost as low as the duties. But this argument was not sufficient. When the same subject was again under discussion in Congress, a gentleman of high distinction—himself an extensive cotton-planter—demonstrated that, instead of the prices of cotton-bagging, rope and twine, being increased in consequence of the protective duties imposed by the tariff of 1842, as urged by the advocates of free trade, they had actually fallen. His answer to the assertion that the price is necessarily increased to the extent of the duty, was complete. He showed that, instead of a loss of two and a half bales of every hundred of cotton, to cover the duties, the Kentucky manufacturers—in consequence of American and home competition, and "by the workings of the inevitable

laws of trade"—were enabled to sell bagging, rope and twine, *cheaper than they were before the duties were imposed.* This gentleman, having just been a purchaser himself, stated the fact to be that bagging was then selling, under the protective tariff of 1842, for within two and a half cents of the estimate of the duty as made by the advocates of free trade, and that rope was selling for but little more than half their estimate of the duty upon it. The actual fact was that, after the tariff of 1842 was passed, cotton-bagging could be bought in the United States for less than the same article had previously cost in Dundee, Scotland, from whence it had been imported. He demonstrated the unreliability of the free trade predictions, and disposed of the whole question in these words:

"A comparison of the present prices of domestic bagging in this country, at the factories, with these Scotch prices, shows that we now make bagging in Kentucky more than five cents per yard less than it cost in Dundee in 1842, and for three or four cents per yard less than the present price [in 1846, before the act of that year took effect], in Scotland, ascertaining the price according to Mr. Walker's [Secretary of the Treasury] estimate of it for fixing the *ad valorem* duties. It is now generally sold in the larger markets for distribution at less than the Scotch price in 1842, when the tariff bill was passed. It is also a well-known fact, to every cotton-planter, that, notwithstanding the duty, and the cheapness of its production, the gunny-bag has continued to fall in almost exact proportion with other descriptions of bagging, showing how little influence the cost of production may have over the market price of a commodity in a country remote from the place of its production."

Notwithstanding this clear and thorough exposure of the fallacious arguments made in defense of the tariff of 1846, that measure was passed in the face of these demonstrations, and became a law mainly by the support of those

who had misled themselves and others by their false predictions with regard to the act of 1842. There must, therefore, have been something unrevealed, more potent than the reasons assigned, which contributed to the result. He who shall search the history of that time with the patience necessary to discover this, will find it centering in the purpose of creating additional antagonisms between the sections of the Union, with the view of destroying the principle of protection, establishing free trade, and subordinating all national interests to those of the cotton-growing section. Men do not often act without motive; and there could have been no other motive than this to prompt a policy so violative of all past experience, so indefensible by truthful arguments, and so ruinous to the best interests of those who cherished it.

CHAPTER XXXIX.

PUBLIC DEBT INCREASED STEADILY UNDER A TARIFF FOR REVENUE ONLY—EXPENDITURES EXCEEDED RECEIPTS—TARIFF OF 1857 PASSED UNDER PIERCE—SAME SYSTEM CONTINUED AND SAME CONSEQUENCES FOLLOWED—GOVERNMENT HAD TO BORROW MONEY—THE TWO SYSTEMS COMPARED.

THE tariff of 1846 underwent no change until 1857. It continued during the last half of Mr. Polk's administration, the whole of Mr. Fillmore's and General Pierce's, and until the first year of Mr. Buchanan's—making, as already stated, eleven years. We have seen how the receipts and expenditures compared during these years, and have noticed the fact that, at their close in 1857, the public debt amounted to $28,699,831—having been increased after 1846 from $15,550,202 to that sum, under the operations of that act; an increase of nearly one hundred per cent. But little financiering ability is requisite to decide that, whatsoever other consequences may follow such a law; it cannot be considered a success as a revenue measure. Manifestly, the tariff of 1842, which reduced the public debt and, at the same time, protected domestic industry, is preferable to one like that of 1846, which caused the public debt to increase, although passed professedly for revenue alone, without protection. A tariff for revenue alone should, undoubtedly, raise money enough to pay the Government expenses, or

it fails to answer the purpose designed by it. If it does not, it is a sham and a deception. The tariff of 1846 did not do it, and to call it a revenue tariff, when the public debt increased, during the eleven years of its existence, from $15,550,202 to $28,699,831, is, to say the least of it, a misnomer, and indicates a low estimate of the popular intelligence and a high estimate of the popular credulity.

It is well to observe the state of the public debt during all the years this act was in force, that its entire effect upon the Government finances may be fully comprehended. The fact has just been stated that the debt in 1846—the year the act was passed—was $15,550,202. For the remaining years, from that time to 1857, it was as follows:

1847	$38,826,534
1848	47,044,862
1849	63,061,858
1850	63,452,773
1851	68,304,796
1852	66,199,341
1853	59,803,117
1854	42,242,222
1855	35,586,858
1856	31,972,537
1857	28,699,831

A portion of this debt was created on account of the expenses of the Mexican war. Nevertheless, the necessity for raising revenue to provide for the payment of these was as great as that which required the ordinary expenses to be paid. When extraordinary expenses are actually incurred, they are as much a charge upon the Treasury as if they were not so. The Mexican war only created the obligation to raise more revenue; and if it was foreseen—

as it ought to have been—that the act of 1846 did not produce revenue enough to pay all the legitimate expenses, ordinary and extraordinary, it should have been changed and the duties increased. This was not done. To have done so would have amounted to a concession that all the eloquent dissertations upon the advantages of a tariff for revenue only, were false and misleading. Instead of this, however, the law was left unchanged, and the public debt continued to increase. The following table explains itself:

	Receipts.	Expenditures.	Expenditures over Receipts.	Receipts over Expenditures.
1847.....	$23,747,864	$53,801,569	$30,053,705	.....
1848.....	31,757,070	45,227,454	13,470,384	.....
1849.....	28,346,738	39,933,542	11,586,804	.....
1850.....	39,668,686	37,165,990	.....	2,502,696
1851.....	49,017,657	44,054,717	.....	4,962,850
1852.....	47,339,326	40,389,954	.....	6,949,372
1853.....	58,931,865	44,078,156	.....	14,853,709
1854.....	64,224,190	51,967,528	.....	12,256,662
1855.....	53,025,794	56,316,197	3,290,403	.....
1856.....	64,022,863	66,772,527	2,749,664	.....
1857.....	63,875,905	66,041,143	2,165,238	.....
	$523,957,868	$545,748,777	$63,316,198	$41,525,289

It will thus be seen that for six years out of the eleven of the tariff of 1846, the expenditures exceeded the receipts, in the aggregate $63,316,198. For the remaining five years the receipts exceeded the expenditures by the aggregate sum of $41,525,289. Therefore, taking the whole eleven years together, the excess of the expenditures over the receipts amounted to $21,790,909; that is, the revenues fell that much short. This accounts for the increase of the public debt, under a tariff for revenue only. The result is shown by a simple method of calculation,

For example, the aggregate receipts from customs for the eleven years was $523,957,868, and the aggregate expenditures $545,748,777; the expenditures, consequently, exceeded the receipts $21,790,909, as stated above. Consequently, it must be accepted as a fact that the tariff of 1846 failed to produce revenue enough to meet the wants of the Government—that is, that the deficiency in the revenue was the sum just named. Whatsoever else it may have been, therefore, it was not a successful revenue measure.

The foregoing table has been made up with reference to the whole period of eleven years, during which the tariff of 1846 was in operation, for the reason that this is believed to be the fairest and best mode of testing the effects of that measure upon the revenue. Plain as it is in this regard, however, it may require some explanation, or, otherwise, those in the habit of accepting results without inquiring into their causes, might be misled by it. It will be observed that for the five years—1850, '51, '52, '53 and '54—the aggregate excess of the receipts over the expenditures was $41,525,289; whereas, for the first three years of the law—1847, '48 and '49—the aggregate excess of the expenditures over the receipts was $55,110,893, and for the last three—1855, '56 and '57, it was $8,205,305—showing the result stated above; that is, an excess of the expenditures over the receipts, for the whole eleven years, of $21,790,909. If, therefore, the foregoing five years should be detached from the whole period of eleven, and considered without comparision with the other six, it might be argued,

with some apparent plausibility, that, as a revenue measure, the act of 1846 was a success. It is not difficult to show that this argument, if made, would be merely plausible and could not be maintained, for the reason that the excess of revenue for those five years was attributable to causes — alluded to in the last chapter — with which the tariff neither had nor could have any immediate connection; that is, to the general activity in all the departments of business throughout the country.

The Mexican war, which commenced in 1846 — the year the law was passed — resulted in the treaty of Guadalupe Hidalgo, in 1848, by which the United States acquired New Mexico and California. It had been long known that the mountainous regions of the latter contained large mineral deposits, only awaiting the presence of an active and enterprising population to assure their development. Such a population was speedily furnished by immigration from all parts of the country and, within a brief period, the discoveries of gold changed the entire aspect of business affairs, by stimulating every branch of domestic industry. These influences were universally felt, and excited a passion for over-trading, not only among capitalists, but among manufacturers and business men generally. A large increase of importations resulted, as a necessary consequence. The gold of California was the inciting cause. In 1849 its product was $40,000,000, but its increase was steady from that time on, through the five years named, as the following table will show:

1850	$50,000,000
1851	55,000,000
1852	60,000,000
1853	65,000,000
1854	60,000,000
Total in five years	$290,000,000

One of the most palpable evidences of business stimulation was furnished by the rapid growth of the railroad system — to which reference was made also in the last chapter — made necessary by the additional demand for the transportation of all kinds of commercial commodities. Agricultural products sought markets upon the seaboard and manufactured fabrics sought them in the interior. Water transportation was too slow, and the building of railroads began in all directions. The spirit of the times required steam as a motive power in almost every kind of machinery, and this demand incited the inventive genius of the whole country. In 1849 — the first year of the gold discoveries — there were 7,365 miles of railroad in the United States, which it had required more than twenty years to construct, dating from the beginning of construction operations upon the New York Central and the Baltimore and Ohio; but, in consequence of the rapidly increasing business, the number of miles were doubled in five years from that time, as the following table will show:

In 1849, the number of miles were	7,365
1850, " " "	9,021
1851, " " "	10,982
1852, " " "	12,908
1853, " " "	15,360
1854, " " "	16,720

It will be seen, therefore, that within the five years during which the receipts exceeded the expenditures, the railroads in the United States had increased 7,699 miles; a fact quite sufficient, of itself, to show the great increase of business within that period. The contemporaneous discoveries of gold in Australia had produced a like effect in England, and the two discoveries combined—that is, in California and in Australia—gave a wonderful impetus to the commerce of the world. Of course, the universal activity of business had its effect in the United States; but the causes which operated most effectively here were mainly domestic. Whatsoever they were, however, the results are sufficient to show that the stimulus given to commerce in this country, which produced the increase of importations and revenue, was wholly independent of the tariff.

The rapid building of railroads made it necessary to import iron rails, locomotives, and other kinds of machinery, which could only be partially supplied in the United States. Such was also the case with many other kinds of improved machinery, in the production of which England was, at that time, in advance of this country. Besides, the general activity of business increased the demand for imported articles. This condition of things underwent no material change until 1855, when our home demand for rails, machinery, etc., became so supplied by American manufactures that, although 1,654 miles of railroads were built that year, the revenue fell off $11,198,396; and notwithstanding it gained during each of the next two

years, 1856 and '57, by means of the continued prosperity of business and the increase of railroads, it still fell short of the expenditures, as the above table will show, and continued to do so as long as the law existed.

Notwithstanding the condition into which the Treasury was reduced — with an increasing public debt and the receipts falling below the expenditures — those in charge of public affairs passed another tariff law, at the close of General Pierce's administration, which made a still nearer approach to free trade than that of 1846. They seemed not inclined to profit by experience, but rather to persist in the accomplishment of some unavowed purpose, without any regard whatsoever to the condition of the Treasury. One thing is certain, whatsoever else may have been obscure, that the same influences which caused the passage of one of these laws caused also the passage of the other — having in the meantime become more concentrated and powerful. Mr. James Guthrie, of Kentucky, was Secretary of the Treasury, and Mr. Jefferson Davis, of Mississippi, was Secretary of War. Both these gentlemen were friends of free trade, and both were able and alike imperious in their natures — quite powerful enough to shape the policy of an administration under so kind-hearted and amiable a President as General Pierce. Whether they did so or not is of no special consequence, as it was well understood at the time, and has not since been denied, that the Tariff Act of 1857 was supported and passed as an administration measure. There is no difficulty, therefore, in deciding who its sponsors were, and

that they were controlled by the same motives and influences which dictated the passage of the act of 1846. In fact, the act of 1857 was a continuation of the policy embodied in that of 1846, and differed from it only in the fact that it was an additional step towards free trade. It was produced by free-trade influences. That it was an ill-fated and unnecessary measure — absolutely forbidden by the condition of the Treasury, and the necessities of the public service — cannot be doubted by any intelligent man who will take the pains to investigate its operations. The pretence that it also was a revenue measure must have been insincere, for it was already demonstrated — or susceptible of easy demonstration — that, under the decreased duties fixed by the law of 1846, the expenditures had exceeded the receipts from customs, notwithstanding the general activity of business which followed the discoveries of gold, and that the public debt was $13,149,629 more in 1857 than it was in 1846. Yet, directly in the face of these facts, the tariff of 1857 continued in force the principles of that of 1846, and reduced the duties upon all the articles that involved the principle of protection. It reduced the duties on such articles of luxury as brandies and other spirits distilled from grain, etc., from one hundred to thirty per cent, and upon other articles assessed at forty also to thirty per cent. Articles assessed at thirty were reduced to twenty-four per cent; those assessed at twenty-five to nineteen, those assessed at twenty to fifteen, those assessed at fifteen to twelve, those assessed at ten to eight, and those assessed at five to four. All articles not enumerated

in the schedules of 1846 were reduced from twenty to fifteen per cent, thus reducing what was most inaptly called the revenue standard about five per cent. These reductions were not made without a purpose; but, whatsoever that purpose was, the immediate effect was a reduction of the revenue — a consequence which, at the time, was foretold by the opponents of the measure, but denied, with apparent indignation, by its friends.

The act was approved by General Pierce on the last night of his administration — March 3, 1857 — and only one day before the administration of Mr. Buchanan began. Possibly, those who directed the free-trade influences which caused its passage were somewhat suspicious of Mr. Buchanan, and not quite willing to trust his administration upon such a question. He had voted in Congress for protection, and was supposed to agree with the opinions which had always prevailed in Pennsylvania with regard to it. He had never given his assent to free-trade principles. In order, therefore, to hold his administration in the line of policy which pointed to the ultimate triumph of those principles, he was compelled, *nolens volens,* to submit to having his hands tied, and to give indorsement to a measure which his judgment, if it had been invoked, might have condemned. Howsoever this may have been, the act, being prospective, took effect July 1, 1857 — the beginning of a new fiscal year. Its effects may be traced as easily as those of the act immediately preceding it.

For the previous year, ending June 30, 1857, the revenue from customs was $63,875,905; whereas, for the next

year, 1858, it was only $41,789,620 — showing a decrease of $22,086,225, during the first year of its operations. It was increased during the next year, 1859, to $49,565,824, and also in 1860 to $53,187,511. The decrease, compared with 1857, continued, however, during both years. In 1861 — including that part of Mr. Lincoln's administration from March 4 to June 30 — and when the Government needed money more than it had ever done before, the revenue from customs ran down, under this act, to $39,582,125, or to $23,293,780 less than it was in 1857 — the year the act was passed. The public debt increased, of course, every year; but those who were responsible for the condition of affairs then existing, seem not to have regarded that as of consequence enough to arrest their injudicious tampering with the interests and welfare of the Nation. While they were not willing openly to admit that "a public debt is a public blessing," they indicated by their conduct that they did not shrink from it as a misfortune. The public debt created by somebody besides themselves, was horrifying to them — one of their own contracting was not in the least degree alarming. The following table shows its condition, under the act of 1857, up to 1861, within the period including the breaking out of the war:

1858	$44,911,881
1859	58,496,837
1860	64,842,287
1861	90,580,873

The increase each year was as steadily progressive as vegetable growth. Any competent financial man could

easily have foreseen it, by but little investigation. The failure of the tariff of 1846 to produce the necessary amount of revenue was a fact so palpable that it could not be disguised. Therefore, the repetition of the same folly, by passing the act of 1857, is only to be accounted for in one of two ways; it was either the result of a belief that the bad consequences which had followed the tariff of 1846 would be removed by a nearer approach to free trade, or the increased embarrassment of the Treasury was premeditated. No matter, however, what the motive was, the experience of the eleven years immediately preceding had clearly demonstrated the truth of the proposition that a further decrease of duties would result in a further decline of the revenue, and an increase of the public debt. But all predictions to this effect, although repeatedly made, were of no avail. The public interests weighed but little in the scale against the object it was designed to consummate, whatever it was.

We have just seen that the public debt increased $45,668,992 from 1858 to 1861. The following table shows the receipts from customs and the expenditures for each of the same four years, together with the relation they bore to each other at the close of every year:

	Receipts.	Expenditures.	Expenditures over Receipts.
1858	$41,789,820	$72,330,437	$30,540,817
1859	49,565,824	66,355,950	16,790,126
1860	53,187,511	60,056,754	6,869,243
1861	39,582,125	62,616,055	23,033,930
Totals	$184,125,080	$261,359,196	$77,234,116

In order to test the merits or demerits of any system of tariff measures, it is necessary to go beyond the operations of any single year. If this were not done, favorable or unfavorable years might be selected, and thus false impressions might be created. For example, a single year when importations were large would, necessarily, show a large revenue; whereas, one when they were small would show a decrease. Neither would furnish an accurate test. Therefore, the necessity for taking the whole series of years included in any particular system, so that, by fixing a general average for each year, the merits or demerits of the system will appear. We have seen that, during the eleven years of the tariff of 1846, the expenditures exceeded the receipts $21,790,909. Of this excess $8,205,305 occurred during the years 1855, 1856 and 1857; so that, when the act of 1857 was passed; it was perfectly apparent that while the expenditures were necessarily increasing the revenue was steadily diminishing; and this must be accepted as a fact, whether we take these three years or the entire eleven, under the operations of the tariff of 1846. By this method of computation we see, from the last table, that for the four years of the tariff of 1857, the aggregate receipts were $184,125,080, and the aggregate expenditures $261,359,196. The expenditures, consequently, exceeded the receipts $77,234,116. The tariff of 1857, therefore—like that of 1846—failed to produce revenue enough to meet the wants of the Government, during the four years of its operations. As a revenue measure it was a greater and more palpable failure than the tariff of 1846. Taken

together they constitute a system injurious alike to the public revenue and the country. No ingenuity is sufficient to invent a reasonable apology for it. The years of its existence stand alone in our history, condemned by all experience.

As these two acts were passed professedly for revenue only—which purpose was exultingly announced—it is fair to test their merits by observing the effects they produced within the period of their existence. Together, they were in operation fifteen years, from 1847 to 1861. During that time the aggregate receipts from customs amounted to $708,082,948, and the aggregate expenditures to $807,107,973; consequently, the expenditures exceeded the receipts $99,025,025. The annual average expenditure, during these fifteen years, was a little over $53,000,000; so that the excess of expenditures over receipts was nearly as much as two entire years of expenses. Such financiering as this had one effect if no other—that was, to leave the Treasury in a totally unfit condition for a state of war. How different the condition of affairs would have been if these laws had not been passed! If the duties had remained as they were fixed by the tariff of 1842, there would have been an abundance of revenue, the public debt would have all been extinguished, and the Treasury abundantly able to furnish the means necessary to defend the Nation's life. As we look back upon these things, it is impossible not to see how the country was misled by the pretenses of the advocates of free trade and low duties.

Instead of raising money enough to support the Government, even during the period of peace, a system of duties was contrived which diminished the revenue, while, at the same time, the expenditures were made to exceed it—thereby increasing the public debt from $15,550,202 in 1846 to $90,580,873 in 1861.

If advantages are conferred upon the country by recklessly plunging the Government into debt, then the benefits resulting from this system are perfectly apparent. But if, on the other hand, the best interests of the Nation demand that the Government shall be well and prudently managed, its credit preserved and its honor untarnished, its commerce kept in a healthy condition and its immense natural resources developed, then these measures of policy stand without excuse, and display not the wisdom of statesmanship, but the quackery of scheming politicians. If this is the only banquet to which the advocates of free trade propose to invite us, the best interests of every section of the Union require that we shall respectfully decline their invitation.

CHAPTER XL.

TREASURY ALMOST BANKRUPT UNDER BUCHANAN—LOANS ABSOLUTELY NECESSARY—PUBLIC CREDIT SERIOUSLY IMPAIRED—DIFFICULTY OF BORROWING—LARGE INTEREST PAID—RECEIPTS—DUTIABLE ARTICLES—IMPROVED CONDITION OF TREASURY BY REPEAL OF TARIFFS OF 1846 AND 1857—THAT REPEAL AND THE TARIFF OF 1861 A NECESSITY—FURTHER COMPARISON OF THE TWO SYSTEMS.

THE embarrassed condition of the Treasury, occasioned by injudicious tampering with the long-sanctioned and settled policy of the Government, compelled the administration of Mr. Buchanan to admit the necessity of borrowing money in order to save the public credit, which the measures established and persistently adhered to by the supporters of free trade had seriously imperiled. Accordingly, in June, 1860, Congress authorized a loan of $20,000,000—that is, the Government was compelled to borrow that much money, to be added to the public debt, in order to supply the deficiency in the Treasury occasioned by the low duties of the tariff of 1846 and the still lower duties of that of 1857. It having been demonstrated, by the experience of a few years, how incompetent they were to produce a sufficiency of revenue to supply the wants of the Treasury—even under administrations controlled by their friends—it became absolutely necessary to bridge over the difficulty by supplying the deficiency

with borrowed money. An individual debtor may sometimes save himself from bankruptcy by this means; but it is necessarily injurious to a Government to be compelled to do so in time of peace. In this particular instance, it could not have been avoided, at the time, but the condition of affairs, which created the necessity for it, was brought about in the face of past experience, and of the well-established fact that properly graduated and discriminating duties, laid with reference to national and not sectional interests, could be always relied on for a certain and steady supply of the necessary amount of revenue. To disregard and defy such experience as this, and to trifle with a nation's welfare by crude and ill-timed experiments with its credit and interests, although not criminal by any statute, ought to be condemned by the whole country. There have been very few times in our history when the necessity for prudent financial management was greater than at the end of Mr. Buchanan's Presidential term, yet he was compelled by these ruinous experiments, to turn the Government over to his successor with its credit almost entirely destroyed—the inevitable consequence of a policy which had caused its revenues to fall below its expenditures, and at the time when one of the most terrible civil wars of modern times was about to break out. No matter whether this condition of the Treasury was foreseen or not, or whether the existing measures were designed for that purpose or not, the consequences produced by them were such that the credit of the Government was seriously threatened with ruin. Nor is there any satisfaction in

knowing, as we now do, that, among these consequences, there has fallen upon those who mainly planned and plotted the policy which produced them, a series of desolations which make the heart sick. Patriotism does not require any exultation because of this, but imperiously demands that, in the future, there shall be such union of sentiment and action, among the people of all the sections, as shall render the repetition of such policy impossible.

In October, 1860, the Secretary of the Treasury — Mr. Howell Cobb, of Georgia, who had largely contributed to the results then existing — offered for sale $10,000,000 of five per cent Government stocks, half of the $20,000,000 authorized by Congress. Bids were made for this at a small premium, but only a portion of it was realized, on account of some of the bidders having withdrawn their offers. Congress was, consequently, compelled to pass a law in December, 1860, authorizing the issue of $10,000,000 of Treasury notes, as another expedient for borrowing money. The Secretary of the Treasury at once offered $5,000,000 of these notes for sale, which had the effect of demonstrating the humiliating fact that the credit of the Government was lower than that of many individual citizens. Bids were made for only $500,000 of the $5,000,000, and these at varying rates of discount — some thirty-six, some twenty-four, and the lowest twelve per cent discount. As it was absolutely necessary to raise money to pay the interest upon the public debt due January 1, 1861, the Secretary closed the $500,000 loan at twelve per cent. This, however, fell short of the necessary amount, and to

prevent the Government from failing in the payment of the interest, a loan of $1,500,000 was made of a syndicate of banks and bankers at twelve per cent. In a short time the remainder of the Treasury notes were disposed of, at the same rate and to the same syndicate. And by these means only was the Government enabled to obtain relief from the financial pressure. It had to be done by borrowing money upon such terms, and such a rate of discount as would drive almost any business man into insolvency. But even this relief was, at most, a mere temporary expedient. And not the least humiliating feature of it was the fact that, at the same time, the State of New York sold $1,200,000 of her State bonds for premiums varying from one and a half to two and a half per cent.

In January the Secretary offered another loan of $5,000,000, and received bids varying from eight and three-fourths to eleven per cent discount. The credit of the National Government being thus reduced below that of the States, it became apparent that the only thing that would put it in a condition to preserve itself and defend its life in case of attack, would be an increase of tariff duties and the restoration of the old system of raising revenue, by laws providing for both revenue and protection. Accordingly, the Tariff Act of March 2, 1861, was passed and approved by Mr. Buchanan; and, on account of the increasing expenditures made necessary by the war, another was passed in August, 1861, which was approved by Mr. Lincoln. These acts not only increased the duties but discriminated for protection, in accordance with the methods

and principles which had prevailed under the act of 1842, and all previous tariff laws, and which had never been disturbed from the beginning of the Government, until the passage of the Compromise Act of 1833.

To trace in detail the effects of these last named acts, upon the National Treasury and the credit of the Government, would involve inquiries not at all necessary, inasmuch as we are now so immediately in their presence, that those who do not see them must intentionally shut their eyes. It is sufficient for all present purposes, to say that the Government never had better credit than it now has, under their operations, and that, in this respect, it is not surpassed by any government in the world. It has reduced the rate of interest upon its bonds to three per cent only, and is enabled to sell them without difficulty in any of the commercial centers in the world. It has extinguished an enormous amount of its war debt. And yet the Treasury has been filled to such overflowing with gold and silver that additional vaults have been required for its safe-keeping, while more than a hundred clerks are kept at work to count and arrange the greenbacks and national bank notes that are constantly flowing in and out of the Treasury.

It is not practicable to apply the same test to the tariff of 1861 and the amendment since made, that has been applied to the acts of 1846 and 1857—that is, a mere comparison of the receipts and expenditures—for the reason that so large a proportion of the latter have been occasioned by the war, and it is impossible to make even an approximate estimate of what they would have been without

it. However, the beneficial operations of the system now in existence may be seen in the general effect upon the revenue for a series of years, ending with 1880, as a period most suitable to a comparison based upon the value of the dutiable articles. The following table shows how much has been received from customs from 1861 to 1880, including the period of the war when the importations to the States at war with the Union had ceased, in so far as they bore any relation to the national revenue. It also shows the value of the dutiable articles upon which this revenue was assessed:

	Receipts from Customs.	Value of Dutiable Articles.
1862	$49,056,397	$205,771,729
1863	69,059,642	252,919,920
1864	102,316,152	329,562,895
1865	84,928,260	248,555,652
1866	179,046,651	445,512,158
1867	176,417,810	417,831,571
1868	164,464,599	371,624,808
1869	180,048,426	437,314,255
1870	194,538,374	462,354,651
1871	206,270,408	541,493,708
1872	216,370,286	640,338,766
1873	188,089,522	663,617,147
1874	163,103,833	595,685,754
1875	157,167,722	547,050,118
1876	148,071,984	476,677,871
1877	130,956,493	480,517,489
1878	130,170,680	466,872,846
1879	137,250,047	466,073,775
1880	186,522,064	667,954,746
Total	$2,863,849,370	$8,667,939,859

This table shows that, in the foregoing nineteen years, notwithstanding the war, the Government received revenue from customs alone, amounting in the aggregate to $2,863,849,370, which is $122,994,620 more than the public debt

in October, 1865, after the close of the war. The annual average receipts exceeded $150,700,000. It also shows that this large amount of revenue was paid upon dutiable articles of the value of $8,667,939,859, under the operations of the protective tariff of 1861, and its amendments, — thus furnishing positive contradiction to the pretense, so frequently proclaimed by the friends of free trade, that protection decreases the revenue by prohibiting or lessening importations.

But this table serves another purpose. It furnishes additional means of comparing the effects of the two systems upon the revenue; that is, the protective system under the act of 1861, with its amendments, and that professedly for revenue alone, under the provisions, and at the rates of duties, prescribed by the acts of 1846 and 1857. Thus :— If the tariff of 1846 had continued in force during these nineteen years, and the same amount of dutiable articles had been assessed under it — taking the average rate of duty at twenty-four per cent — the amount produced would have been $2,080,305,566, or $783,543,804 less than has actually been paid into the Treasury, which would have made the public debt in 1880 that much greater than it really was. Or, if the tariff of 1857 had continued in force, and the duties had been assessed under it — taking the average at what has been called the revenue standard of twenty per cent — the amount produced would have been only $1,733,587,971, or $1,130,261,399 less than was received, which would have made the public debt in 1880 that much greater than it was. If the

question of revenue were alone to be considered, this comparison is conclusive in favor of the protective system.

The amount of importations and, consequently, the receipts from customs must depend upon the value of the commerce carried on — being more or less as that shall increase or diminish. When the revenue is cut short by a declining commerce, it indicates that trade and labor are not in a healthy condition — not properly protected. Fluctuations, of course, constantly occur, and these render the prospective amount of revenue always uncertain, so that it cannot be estimated with entire accuracy in advance. Upon any given amount of actual importations it is perfectly certain that high duties will produce more revenue than low ones. It is a very simple proposition, that if we had a fixed amount of importations upon which to raise revenue, there would be no difficulty in deciding the rate of duties necessary to raise any given sum for the support of the Government. It would be like calculating the income upon an investment at a fixed interest. But as importations increase or decrease according to the condition of commerce, it must be evident that in the regulation of duties, the question is not simply whether they shall be high or low, but how they will contribute to the increase or decrease of commerce. In 1871 the dutiable articles amounted to $541,493,708, upon which $206,270,408 of revenue were collected — whereas, in 1880, the dutiable articles amounted to $667,954,746, and the amount of revenue collected was only $186,522,064. This shows the varying operation of duties, accordingly as they are high

or low, upon any given amount of importations. And it furnishes the means also of comparing discriminating and specific duties with those fixed at a horizontal standard, as regards their relative effect upon revenue. If, during the years above named, a horizontal standard had been established — say twenty per cent, as contemplated by the acts of 1833, 1846 and 1857, for the revenue standard—the revenue for 1871 would have been only $108,298,741, and for 1880 only $133,590,949. It would then have fallen short of the expenditures for each year — in 1871, $56,122,766, and in 1880, $38,294,433. And the same process of comparison may be applied to each of the years since the war—showing, in addition to what has already been made to appear, how the Government would have been embarrassed if the acts of 1846 and 1857 had not been superseded by that of 1861 with its amendments.

Notwithstanding the large importations during the years from 1846 to 1860—occasioned mainly by the construction of railroads and the commerce created by them —the revenue reached its lowest point of decline in the latter year, when the credit of the Government was seriously impaired. In every point of view, therefore, in which the matter can be rightfully considered, it is perfectly apparent that, if the acts of 1846 and 1857 had remained unchanged, and that of 1861 had not been passed, the Government credit would have been entirely destroyed and it could not have carried on the war for the defense of its life. Or, if the patriotism of the country had been ardent enough to carry it on notwith-

standing a bankrupt Treasury, its close would have been reached with a public debt far greater than it was. The conclusion, therefore, is fully justified, that the tariff legislation, at the beginning of and since the war, has been the result of absolute necessity. The fruits of it are still seen in the unexampled decrease of the public debt, the abundance of revenue for all Government expenditures, and the large accumulation of gold and silver in the vaults of the Treasury.

CHAPTER XLI.

ADVANTAGES OF A PROTECTIVE OVER A REVENUE TARIFF—OPERATIONS FOR A SERIES OF YEARS—COMMERCE—CONSTITUTIONAL OBLIGATION TO REGULATE IT—REGULATED BY PROTECTION—THIS INCREASES OUR ABILITY TO CARRY IT ON—CONSTITUTIONAL POWER TO TAX GIVES NO AUTHORITY TO REGULATE COMMERCE—THE LATTER AN EXPRESS POWER—NOT INCIDENTAL—RULE OF INTERPRETATION—EXAMPLE FROM THE "CONFEDERATE STATES'" CONSTITUTION.

WE must not fail to give due consideration to the question of revenue, when deciding upon the principles to be embodied in our tariff legislation. Money being absolutely necessary to the support of the Government, the obligation to raise it for that purpose is not only imperative, but primary. Without it the Government must necessarily come to an end. Hence, it has been deemed necessary, in the prosecution of these inquiries, to compare the two systems, protective and non-protective, in their effects upon the revenue alone. This could only be done by showing, for a series of years, the operations of each, in order to demonstrate, as has been done, that the former system may be relied upon to furnish a sufficiency of revenue, while the latter can not. On this account the conclusion has been reached that the system in operation under the existing tariff laws was established from necessity. And if this con-

clusion is justified, it logically follows that the system should be preserved until the entire removal of the necessity which brought it into existence. A partial removal of it may warrant some modification of the rates of duties, so as to prevent an undue accumulation of revenue in the Treasury, either for distribution, the encouragement of reckless expenditures, or to be quarreled over. But, manifestly, in view of the past experience of the Government, it would be unwise and greatly injurious to the public interests, either to abandon or endanger the principle of protection. Besides the general reasoning already employed to prove the necessity of that principle, it is not difficult to show that it is the imperative duty of the Government to maintain it. If it be true that it gives assurance of a sufficiency of revenue, by means of the increase of domestic commerce, then whatsoever shall so develop our internal resources as to produce this increase, is as much obligatory upon the Government as it is to raise revenue for its own support. Not only has this been frequently asserted by the early Presidents and leading statesmen of the country, but no ingenuity has yet been great enough to successfully assail the proposition.

We cannot safely or wisely overlook our domestic commerce, or fail to realize the obligation to increase it by proper encouragement to all the sources of its development. Upon it alone does our strength as a nation depend; for history establishes no proposition more clearly than that nations are short lived wheresoever they have allowed their

populations to sink into imbecility, for the want of proper industrial development. By means of it we are enabled to carry on commerce with other nations ; and he must have a very obtuse mind who does not know that, in order to keep pace with those nations, we must take care so to reward our home industry as to derive from our domestic commerce the ability to hold intercourse with them upon equal terms. We do not do this when, in fixing the rates of tariff duties, we look to the question of revenue alone ; for that confines us exclusively to a consideration of the purchase of imported articles, and omits any view of our ability to pay for them. A man who, in conducting his individual affairs, buys more than he is able to pay for, will assuredly reach insolvency in the end, no matter what his wealth. The rule applies equally to the aggregate communities who constitute nations, with regard to their commercial intercourse with other countries. If we follow the advice of those who desire that duties shall be laid for revenue alone, and neglect to consider our ability to purchase and pay for the imported articles we buy from abroad, our policy is necessarily short-sighted in this: that we omit any consideration of the question whether the balance of trade is for or against us — in other words, whether we are or are not able to pay for what we buy from abroad. Whensoever, in our past experience, we have found ourselves in debt beyond our ability to pay, we have been confronted by the impairment of our national credit ; and the Government, in consequence of diminished importations, in some cases, and unnecessarily low duties in others, has been left without

revenue enough for its support. Our experience under the revenue tariffs of 1846 and 1857 attests this.

The policy of protection does not look to prohibition, as is often argued by its adversaries, for that, by cutting off importations, would destroy revenue. Nor does it look to the question of revenue alone, for that would put out of view our ability to pay for what we buy of foreign countries. But it involves both the necessities of the Government for revenue, as a primary duty, and the condition and development of our domestic industry and commerce; in other words, the proper reward of labor, as the basis of our internal prosperity. It is in this way that protection develops our natural resources, encourages all the departments of industry—agricultural, manufacturing, mechanical and commercial—and enables us, not only to buy from abroad, but to sell also, and, by that means, to pay for what we buy with the products of our own industry, and thus keep our importations at a healthy point. If we buy beyond our means to pay we get poorer; if we sell more than we buy we get richer. Consequently, our prosperity is not determined merely by the amount of our importations, but by our ability to pay for them. If they exceed our means of payment, we become in debt to foreign countries, and the balance of trade is that much against us. If what we export and sell abroad exceeds our importations, then foreign countries become indebted to us to the amount of that excess, and the balance of trade is that much in our favor. Large importations, when they exceed our exports, show an unhealthy condition of domestic trade, although

they may, at the same time, produce a large amount of revenue. In this case, the Government is assured, for the time being, of the means of support, but the country is getting poorer. When, however, our exports exceed our imports, our domestic trade is healthy, no matter what the extent of the importations, and, at the same time, the Government is supplied with an abundant revenue. Not only is the Government supported, but the country is getting richer.

In regulating tariff duties it should always be remembered that the protective policy was established by the framers of the Government, with the special view of producing these results. It has had that effect, and has, consequently, made us a great nation. We could not have been so without it; and if, by any possibility in the future, it shall be abandoned, our rapid decline may be dated from that period. The Government was not made for the mere purpose of raising revenue, in order that an oligarchy of office-holders, with interests foreign from those of the people, shall be established. It was created for other and far higher purposes, which are expressed in the preamble to the Constitution in words full of meaning—a part of the Constitution too frequently disregarded in the search after special rules of interpretation. When we come to comprehend these purposes, in their full length and breadth, we shall realize the extent of the obligation which imposes upon Congress the duty of protection.

The powers are given to Congress, "to lay and collect taxes, duties, imposts, and excises, to pay the debts and

provide for the common defense and general welfare of the United States." Here the words "common defense" and "general welfare" are repeated from the preamble, showing that these objects were the central ideas of the constitutional system of Government, as distinguished from that previously existing. They were never to be lost sight of, but provided for by laying taxes, duties, imposts, and excises, and by such other enumerated means as were necessary to these purposes, whensoever required. But the strict construction theory, which is employed in opposition to protection, goes to the extent of denying to Congress the power to lay taxes, duties, etc., except for the sole purpose of paying the debts. And thus the conclusion is reached that, under no circumstances, can any tariff law be constitutionally passed, unless its object shall be revenue exclusively. This imposes undue and injurious limitation upon the powers of the Government, and leaves it without the means of giving patronage and protection to the industrial interests of the country.

Undoubtedly, the Constitution must mean that Congress may lay duties under one distinct grant of power—pay the debts under another—and employ these and such other powers as shall be required to provide for the common defense and general welfare. These last words do not grant any special and independent power, but rather express the purpose for which the powers are granted. By their natural meaning they involve comprehensiveness, and must be interpreted as expressing the results which were expected to follow the exercise of the collective

powers granted to Congress. Congress may "borrow money," "establish postoffices," "raise and support armies," "provide and maintain a navy," etc. When and under what circumstances may any or all of these things be done by Congress, under these special grants of power? The answer is plain: When "the common defense and general welfare" shall require it; and thus a nation, with powers sufficiently comprehensive to provide for the wants of the Union and for the public good, was substituted for the old Confederation, which did not possess these powers. Consequently, whensoever it becomes necessary so to employ the express power "to regulate commerce with foreign nations" as to protect our own industry from ruinous or injurious foreign competition, then it becomes one of the means of providing for the common defense and general welfare. This power being granted, along with others, for a common purpose, its exercise is obligatory when the condition of the country shall require it.

Commerce with foreign nations is both traffic and intercourse. Buying their productions from them, and selling ours to them constitute its essence. It embraces ships as the means of transportation, as well as the cargoes they contain, and the seamen who navigate them. It includes all the means by which intercourse is carried on. It is regulated by prescribing the rules, terms and conditions under which it shall be conducted. All our embargo laws, under each of the administrations of Washington, Jefferson, and Madison —whereby our own vessels were not allowed to

depart from our own ports—were enacted by the exercise of the power to regulate commerce. And it is equally within this power to say upon what terms and conditions foreign vessels shall enter our ports and discharge their cargoes, brought from foreign countries, for sale in our markets. If, in deciding this question, we allow them to do so free and without the payment of any duty, we must then raise the necessary revenue for the support of the Government by direct internal taxation. If we look alone to revenue, and regulate foreign commerce accordingly, we abandon our domestic commerce by either putting foreign commerce upon a precise equality with it, or give it preference in our own markets. But if, in addition to revenue duties, we also impose such others as will give domestic commerce preference over foreign, then we have not only secured the necessary amount of revenue to support the Government, but have obeyed the obligation imposed by the Constitution, which requires that we shall "provide for the common defense and general welfare"—not independently, as if that were an express grant of power for that purpose, but as a necessary incident to the express and specifically granted power "to regulate commerce with foreign nations." This is what Mr. Madison meant when, in the debate in the first Congress, he defended protection to manufactures upon the ground that the power to regulate commerce had been taken from the States and given to Congress for that express purpose. And we have heretofore seen that General Jackson meant the same thing when he adopted and substantially repeated Mr. Madison's

argument in his message of 1830, in these words, which deserve to be repeated here:

"The power to impose duties on imports originally belonged to the States. The right to adjust those duties *with a view to the encouragement of domestic branches of industry, is so completely identical with that power*, that it is difficult to suppose the existence of the one without the other. *The States have delegated their whole authority over imports to the general Government, without limitation or restriction*, saving the very inconsiderable reservation relating to the inspection laws. This authority having thus entirely passed from the States, the right to exercise it *for the purpose of protection* does not exist in them; and consequently, *if it be not possessed by the general Government, it must be extinct.* Our political system would thus present the anomaly of a people stripped of the right to *foster their own industry*, and to counteract the most selfish and destructive policy which might be adopted by foreign nations. *This surely cannot be the case;* this *indispensable power*, thus surrendered by the States, *must be within the scope of the authority on the subject expressly delegated to Congress.*"

The powers of Congress are both express and implied. Before the late civil war there were some who controverted this to the extent of denying entirely the existence of implied powers, but since then, the number of these has been so reduced as to leave the general proposition here stated almost entirely acknowledged. The supporters of a tariff for revenue only claim to be strict constructionists, and there ought to be no disposition to impeach their sincerity in this. Nevertheless, as the bulk of them do not deny that there are some implied powers — but insist merely that they are not substantial and independent — their arguments do not weaken the proposition that implied powers, when they do exist, may be rightfully exercised by Congress to such extent as the "general welfare" shall

demand. If this were not so, the Constitution has been violated in innumerable instances and under every administration.

The power to lay import duties is expressly granted; but according to the strict-construction theory of some who advocate a tariff for revenue merely—as we have seen—this is an essential part of the taxing power, and can only be exercised for revenue purposes. Others of them, while thus limiting the object of the duties, agree that if *incidental* protection can be derived from them, there is no constitutional inhibition of it. But these methods of reasoning are both fallacious. The revenue power involves, from its very nature, only the employment of the means necessary to support the Government and pay the public debts. The only legitimate incidents to that power are such as pertain to these objects; to make them otherwise would violate the first principles of the strict construction theory. If the Constitution did not contain additional grants of power, there would not be even plausibility in the argument that, by virtue of the revenue power alone, Congress could, either directly or incidentally, regulate commerce with foreign nations. Both Mr. Madison and General Jackson have said that this particular power belonged to the several States before the adoption of the Constitution, and this is not denied—nor can it be. If, according to them, it does not now exist in the general Government, it has been extinguished. If it does not exist, it will not do to say that Congress may exercise it by implication merely. But existing, as it must, it is the result of an express grant, and,

therefore, from necessity, a substantial and independent power, conferred directly and not incidentally. If this were not intended, the revenue power alone would have been granted, as sufficiently comprehensive to include the power to regulate commerce incidentally. But the framers of the Constitution were wiser than this, and did not intend to leave this latter and most important power as a mere incident to any other power. They granted the revenue power in one clause of the Constitution, and that to regulate commerce in another clause, each distinct from and independent of the other. This was emphatically stated, in substance, by Mr. Madison, in the first Congress, when debating the proposition of Mr. Fitzimons' to amend the revenue bill by engrafting upon it the principle of protection. And General Jackson, in the extract from his message just quoted, manifestly intended that the question should not be left open for further controversy during his administration, by declaring that the power to protect domestic industry, by means of authority over imports, was "*expressly delegated to Congress*," meaning thereby that it could not be considered a mere incident to the revenue power. This argument, effectively employed by Mr. Madison, in the first Congress, settled the question of constitutional power so satisfactorily, that it was not again agitated for many years. And it is not probable that it would ever afterwards have become a prominent factor in American politics, but for the sectional agitation which followed the tariffs of 1828 and 1832, and culminated in an attempt at nullification under General Jackson's administration. It

has borne such fruits since then as should admonish us all how hazardous it is to get away from the old landmarks prescribed when the Government was formed.

There is an important fact in recent history which has some bearing upon this question, and is worthy of being stated on that account. When the attempt was made to form a new government for the "*Confederate States*," Art. 1, Sec. 8, of the Constitution adopted was substantially the same as that provision of the Constitution of the United States which authorizes Congress to lay and collect taxes, etc. But it provided, in addition, that "no duties or taxes on importations from foreign nations [shall] be laid to promote or foster any branch of industry." Why the necessity of this emphatic inhibition, if, in the opinion of those advocates of free trade who assisted in making it, the Constitution of the United States was sufficiently plain and inhibitory upon the subject? The fact that they considered it necessary to introduce it into the "*Confederate*" Constitution, justifies the belief that they considered the power to protect and foster industry as fully conferred upon Congress by the Constitution. This argument is not conclusive upon the point of constitutional interpretation, but is entitled to some weight as against the most earnest and formidable enemies of protection. Upon another point, however, it is conclusive; which is, that the "*Confederate States*'" Government was constructed upon the basis of free trade. Whether its advocates committed themselves to that theory from a conviction of its positive advantages, or merely to induce the purchase of their bonds by English

manufacturers, is of no present consequence. Viewed in either aspect it furnishes some ground for the suspicion that the preference they continue to give to free trade over protection, is based upon their preference for English over American manufactures—an error which has inflicted incalculable ills upon themselves as well as others. What glorious results would follow, to the entire Nation, if they should cast off this error and thereby render future discord between the sections impossible!

CHAPTER XLII.

DUTIES SHOULD BE LAID FOR BOTH REVENUE AND PROTECTION — VOLUNTARILY PAID — FREE AND DUTIABLE LISTS — INCREASE OF FREE LIST MAKES REVENUE DUTIES HIGHER — DUTIES DO NOT NECESSARILY INCREASE PRICES — PRICES REGULATED BY SUPPLY AND DEMAND AND COMPETITION — HOME MARKETS BEST — ENGLISH DEMAND FOR WHEAT — ENGLAND PREFERS THE PRODUCTS OF HER COLONIES — IF THEY COULD SUPPLY HER SHE WOULD NOT BUY OF US.

WHILE it would not be just to say that all the opponents of the present system of duties are in favor of free trade, yet the leading arguments employed in favor of a tariff for revenue only terminate in that theory. They are designed to excite odium against the system upon the ground that it imposes obnoxious taxes which the people ought not to pay. If they were only intended to show that some change or modification were necessary, they would be more availing; for when it is considered that the effect of a particular duty can only be ascertained by the test of experience, and that not one out of ten thousand is familiar with the process by which its effect is produced, it is not to be wondered at that duties should be sometimes changed more than once before they are brought either to the proper revenue or protective standard. When protective duties are laid they may appear to be at the proper rate, but subsequent practical experience may show

them to be so low as not to protect in the degree desired, or so high as to be prohibitory, and, consequently, injurious to the revenue. In either case, the proper course of duty is plain; they should be changed to the proper rate, either higher or lower. Some duties are placed upon articles which do not enter into manufactures and in no way affect industry; these are for revenue alone. Others are placed upon articles which enter into manufactures and affect industry; these should be laid with reference to both revenue and protection. And thus, by adhering to these principles, our tariff system should be constructed, not for revenue alone or for protection alone, but for revenue and protection — in precise accordance with the plan adopted by the first Congress and persevered in under all the early administrations. No true friend of protection will be likely to object to any alteration in the present duties, not calculated to imperil that important principle. When men talk eloquently about the necessity of reform, without intelligent specifications of the manner of accomplishing it, they are mere declaimers. Such men, even if they had their way, would not only impede practical legislation but seriously interfere with the rightful operations of the Government; and yet their utter impracticability does not deprive them of the right to have their theories respectfully considered, nor are others released from the obligation to point out their errors, especially the capital one of attempting to bring the whole system of national taxation into popular disrepute, upon the assumption that the burden is too heavy to be endured.

It is true that the duties upon imports are in the nature of taxes, but it is also true that they are without the odious element which makes taxes seem oppressive. If they fall upon the consumer at all, they are paid voluntarily and without compulsion. They are levied upon foreign and not upon domestic goods and merchandises, and, therefore, do not directly and primarily bear upon individuals, as do the taxes assessed for the local government of States, counties, and cities. The Government, in collecting them, deals with the importer, who pays the duties for the privilege of landing them in our ports and selling them in our markets. Hence, even if the price paid by the consumer were always increased to the extent of the duty, the payment of it is his own voluntary act. He who does not purchase and consume imported and dutiable goods does not contribute anything to the revenue derived from customs.

There will always be, as there has always been, more or less difficulty in selecting the articles to be made exempt from duty by being placed upon the free list. The theory with regard to these is, that as the whole community consume what are considered necessaries, therefore, when imported, they should be exempt from duty. As it regards, however, the leading articles of this class — teas, coffee, etc. — this question involves revenue and not protection. Such of these as are not produced in the United States and do not enter into the products of any of our domestic industries, have always been made free or otherwise according to the necessities of the Treasury. The more this list is

increased the greater the necessity of increasing the duties upon dutiable articles becomes, in order to raise the revenue required by the Government. Therefore, the advocates for increasing the free list and those in favor of high duties find this common ground upon which they can stand together. Those who insist upon protection for its own sake, without regard to revenue — and there are very few, if any, who do — readily act in harmony, at this point, with the friends of free trade. Their purposes, however, are radically different. The former seek to raise revenue without reference to the wants of the Treasury — the latter to break down the system of duties entirely and thus cut off all revenue from customs. They represent the two extremes — one willing to fill the Treasury to overflowing with surplus revenue, and thus invite the most extravagant expenditures; the other striving to prevent any revenue from customs at all. Neither has practical wisdom enough to manage the affairs of Government, and in the hands of either the public interests will suffer. As is commonly the case in dealing with extremes, we are apt to find safety only at some intermediate point between them. And that point, in the matter we are considering, is a tariff for revenue and protection both, and not one for revenue alone, or for protection alone.

But it does not necessarily follow that even the articles placed from time to time upon the free list are always decreased in price to the extent of the duty taken off. Whatever the fluctuations in their prices are, they have been and will always be regulated by supply and demand.

Take coffee by way of illustration: — if the crop is large in the countries where it is produced, the importations increase and the price is reduced, because of the increased supply in the market and the greater facility of answering the demand. If the crop is short, the importations are reduced and the price increased, because of the difficulty in supplying the demand. This law of trade has always existed, and operates invariably upon all articles that find their way to market. Practical agriculturists understand it as well as merchants. When the grain crop is so large as to exceed the demand, prices go down; when it is below the demand, they go up. The farmer waits for an increased demand to put up prices, before he sells, and the merchant does the same, unless their necessities force them to sell without discretion. If the farmer, in any given year, can raise corn at thirty cents per bushel and wheat at eighty, on account of the price of labor for that year, he does not offer his produce upon the market at any given percentage of profit upon these values. But he sells at the market price, which is regulated by the supply and demand, and the profit, whatsoever it is, constitutes his profit for that year. If the merchant has on hand a stock of goods which he cannot sell because the market is overstocked, he is necessarily subject to loss, inasmuch as his capital is unproductive. If he buys when prices are low and they become high before he sells, he, like the farmer, makes his sales at the high prices, and thus increases his profits. If the prices of goods go down and he is compelled to sell, in order to meet his liabilities, his failure is inevitable

unless he has some other means of adding to his capital. In the case of the farmer, land and labor constitute his capital, but the capital of the merchant is composed of money and credit. Their avocations are wholly unlike, and involve the employment of different agencies. But when they meet in the market — the farmer seeking to convert the products of his land and labor, and the merchant his goods, into money,— they are both governed by precisely the same laws of trade; that is, by supply and demand. In the absence of all competition, either could, in an essential degree, regulate his own prices; in the presence of competition, they are regulated by circumstances over which neither of them has any individual control. The general laws of trade cannot be changed by either the one or the other. This is illustrated by a recent telegram from London, as follows: — "Flour is in poor demand. Fine barleys retain their prices on account of their scarcity. There is a large amount of wheat in sight. The United States is regarded as the reservoir which may burst at any time with disastrous effect. The 1883 crop of Northern Europe being untouched tends to depress trade."

It may be true, in the abstract, that the price of an article would, under ordinary circumstances, be increased to the extent of the import duty, if it were not for the fact that, when offered for sale, the price is regulated by the condition of the market. Every man who is competent to transact business understands this. And this rule applies, not merely to all our home products, but to the articles upon the free list, and those upon which protective duties

are laid. The latter are equally with the former subject to the laws of trade—to supply, demand, and competition. No matter what the article is, where it comes from, or what the duty upon it, if the market is overstocked the price must decline. Those who sell, as well as those who buy, recognize this. In such event as this, the purchaser, if he be a consumer, is benefited, while the seller suffers the loss of either all or part of his profits. The wheat market furnishes another illustration. The price of it is regulated more by the English than the American demand—more by the demand in Liverpool than in New York. If the crops in Europe and Asia are abundant and the supply from that quarter equals the demand, the prices become so reduced that American wheat cannot be exported at a profit, and our surplus must either be kept on hand, stored in granaries and warehouses, or sold at a loss. The same rule governs imported merchandise—whether dutiable or not. If the demand shall exceed the supply the prices are increased; if the supply shall exceed the demand the prices decline. These rules seem plain and simple, and are attested by universal experience. Nevertheless, it is important to keep them in remembrance, that we may not be misled by the free trade assumption—assented to by those who advocate a tariff for revenue only—that necessarily and in all cases the consumer of imported articles is taxed to the extent of the duty upon them; and that the price of the same kind of articles manufactured or produced in this country is correspondingly increased. It is not a little surprising that these

assertions should be so frequently made, and with apparent candor, when the experience of almost every man who buys or sells in the market, whether farmer, mechanic, or merchant, teaches the contrary to be true. But if it were true instead of being false, it is worthy of most serious inquiry whether that would not be more advantageous than to put a stop to our progress, by leaving our domestic industry without protection, and the sale of our surplus products dependent alone upon the uncertain contingency of foreign demand. Between these two alternatives there is not much ground for hesitation.

Everybody understands that our surplus is, in a large degree, valueless, unless it can find a market — whether it be composed of the products of manufactories or farms. If there were no markets for what we produce by agriculture and are unable to consume, the surplus would necessarily go to waste. Besides the grain our farmers would be compelled to see rotting in their barns, they would be surrounded with vast quantities of other domestic productions, entirely without any money value. Therefore, in order to secure proper reward for the labor of the agriculturist, whatsoever surplus of products he has must be sold either in a home or in a foreign market. And hence it becomes of the utmost importance to every farmer and to all who contribute to the production of this surplus, that they shall understand upon which of these markets they can most safely rely, and from which of them labor will be most likely to receive proper reward.

There is nothing better known than that the policy of

all foreign countries is to sell as much and buy as little from abroad as possible. This has always been especially the case with England, where the protective system, as involved in tariff and navigation laws, has been built up and persistently maintained until recently, with this end constantly in view. It has been her boast, for many years, that her exports find sale in all the markets of the world, and that her ships, conveying them from her ports, navigate every sea. Consequently, it is to be accepted as true that none of the foreign countries—England included—will buy anything from us which they can produce themselves. They are not to be complained of for this, because it is entirely natural and commendable. Nevertheless, the universality of the rule renders it necessary that we shall profit by the example, and take care that we shall not become the first to violate it, by giving to foreign markets preference over our own—as we should undoubtedly do by an abandonment of the principle of protection. Free trade means that, as plainly as protection means the reverse.

Let the article of wheat serve for further illustration—that being one of our largest staples. The annual product of wheat in England, with all the improved methods of cultivation, is only about one-half of what is consumed there. This deficiency can only be supplied at home in one of two ways, either by doubling the acreage of wheat lands, or the yield per acre of those now under cultivation. Neither of these results can be expected. The first is impossible in consequence of the geographical limits of

the country. The second is improbable, as the lands are now cultivated with the greatest possible scientific skill—not surpassed, if equaled, in any other country. England, consequently, must buy, every year, about one half the wheat she consumes. She must furnish an annual demand for that much. From what source is the supply necessary to meet this demand to be derived? Nothing concerns our interests more than that we should have an intelligent answer to this question, in order to decide what claim this important branch of domestic industry has upon the Government for protection, and the manner of it.

The wheat-growing regions of Europe and Asia have sometimes a surplus, and when this occurs, it finds its way chiefly to the English market, to be exchanged for English manufactures. Their necessities make these manufactures indispensable to them as they are not supplied at home, and so long as this condition of things exists, this trade with England will continue. It may be expected, with certainty, to continue to the extent of supplying the demand for wheat in England whensoever the surplus is large enough for that purpose, or to the extent of consuming the entire surplus when it is not. Besides looking to these European and Asiatic regions for the supply of her demand for wheat, England relies also upon her colonies —especially upon the Dominion of Canada. With this view she takes extraordinary pains to stimulate and encourage the Dominion farmers in the cultivation of their wheat lands. This has already been carried so far that the English advocates of free trade address to them the argument

that England will buy their surplus wheat in preference to ours, if the Dominion Parliament will adopt free trade with England, in order thereby to retaliate against us so long as we maintain our protective duties. The demand in Canada for English manufactures to be exchanged for wheat, constitutes a controlling reason also why England is so desirous that the annual surplus there shall be as large as possible. She knows that the more she buys from Canada the less she will be compelled to buy from us — in other words, if her whole demand could be supplied by the Canadian wheat-growers, she would not buy a bushel from those of the United States.

We are obliged, therefore, to act with reference to the incontestable fact that England will buy wheat from the United States only when she cannot obtain her necessary supply from European and Asiatic countries and from Canada. If the surplus derived from these sources is not sufficient to supply her demand, she will buy from us just what is necessary to supply the deficiency, and no more. When it is sufficient for that purpose she will not buy any from us. Hence, we cannot avoid the conclusion that, as regards the important article of wheat — which is taken for illustration — England will continue to give those countries preference over the United States, and will buy from the latter only when she is compelled to do so. There is not an intelligent wheat-grower in this country who does not know that when a demand for American wheat exists in England, it is occasioned by a deficiency in the supplies from the countries named, and that the price is regulated

accordingly, going up or down as the case may be, according to the demand. Nor is there one who does not know that, if we had no other than the English market for the sale of our surplus wheat, the demand would be fluctuating and uncertain, such as could not be relied on with the least degree of confidence. We saw this very plainly in our exportation of wheat for the year 1883. Compared with 1882, our exports to England greatly declined that year, the aggregate decline being estimated by the most competent judges at 30,000,000 bushels. The cause of this was found in the fact that the other wheat-producing countries drove our wheat out of the market to that extent, and as their labor was less valuable than ours, they were enabled to sell at less prices than we could afford to take; and thus, by bringing their low wages in competition with the just value of our agricultural labor, they reduced the price of wheat in the English market about 25 cents per bushel less than it was during the years immediately preceding.

These propositions are so plain and simple, and will be so generally acquiesced in, that it scarcely seems necessary to repeat them. Yet, notwithstanding this, they are of so much magnitude that any measures of public policy constructed without reference to them, would undoubtedly be unwise and injudicious. That the establishment of free trade would require them to be disregarded, we shall see, in the course of our inquiries, when considering the principles upon which that theory is based, and the sacrifices its supporters in this country ask us to make, in order to

secure its establishment. We shall thus learn what free trade really is, when stripped of the disguises thrown around it by ingenious and talented advocates, who openly avow their purpose not to cease agitation until they shall convince us that English statesmen are more competent to dictate American policy than the pure, and wise, and unselfish men who laid the foundations of our national prosperity and greatness.

CHAPTER XLIII.

HOME MARKETS—FREE TRADE GIVES PREFERENCE TO FOREIGN—WHEAT PRODUCTIONS—COULD BE INCREASED BY HOME MARKETS—IF INCREASED WITHOUT THEM PRICES WOULD DECLINE—THIS WOULD INJURE US AND BENEFIT ENGLAND—PRODUCER AND CONSUMER CLOSE TOGETHER—MANUFACTURES NECESSARY TO THIS—DOMESTIC AND FOREIGN DEMAND COMPARED—GROWTH OF MANUFACTURES—PROTECTION SOCIETY IN NEW YORK—JEFFERSON, MADISON, MONROE, AND ADAMS, ALL MEMBERS OF IT.

THOSE who venture to deny that a permanent and reliable home market is preferable to a fluctuating and uncertain foreign market, may well be suspected of laboring under some sort of strange hallucination. They are like "the dreamers of unprofitable dreams." No business man could safely be guided by their advice, in the conduct of his private affairs. But, howsoever desirable and necessary a home market is, the practical question which commands our consideration is—how is a home market to be secured and maintained?

We have heretofore seen that, at the beginning of the Government, it was argued by the opponents of protection that we should not engage in manufactures until all our wild lands should be brought under cultivation, because agriculture was the most profitable pursuit. We have seen also that the policy of Mr. Polk's administration—in sym-

pathy with this idea — was that the prices of our agricultural products should be reduced by being deprived of a home market, in order that English manufacturers might thereby be enabled to procure cheaper labor and pay higher prices for cotton. Both these propositions mean the same thing — that is, that the country would be in better condition if all our labor were applied to farming — if we were all producers of wheat, corn, oats, barley, etc., and none of us consumers of the surplus of these and other farm products. The arguments in favor of these propositions were fully answered and overthrown by the defenders of the policy of protection at the time of Washington's administration, and have since then been declared false and misleading by all the Presidents up to Mr. Polk, and have been especially condemned by the clear and conclusive reasoning of Jefferson, Madison, Monroe, and Jackson.

The culture of wheat can never lose its importance in this country, and therefore it is well to preserve its prominence in our methods of illustration, inasmuch as no other article which contributes to our wealth is in greater need of a home market.

The number of men directly and indirectly engaged in producing wheat in the United States cannot be ascertained with anything like reasonable accuracy. But by an approximate estimate it is shown that, in 1883, they produced 425,000,000 bushels. The area of land necessary to produce this could be doubled, or trebled, or possibly quadrupled, if necessary — for, besides the large unoccupied territory we possess, there are very few wheat-growing

sections in any part of the country where the acreage may not be increased. In the Western and Northwestern States there would be no difficulty in doing this, to the extent of from one to two hundred per cent, and leave a sufficiency of tillable land for other crops and grazing purposes. The introduction of labor-saving machines, such as buggy-plows, self-binding reapers, etc., would render this comparatively easy, with but little increase of manual labor. If from continued gradual development, or from any other cause, this should occur to the extent of fifty per cent — not an extravagant estimate — the wheat crop of the United States, in an ordinary and average season, would be over 600,000,000 bushels. In this event our surplus would be greatly increased. And, consequently, every producer of wheat is directly interested in knowing how this surplus is to be disposed of — where it will find a market.

England desires — naturally, as, under like conditions, any nation would — that this surplus shall be made as large as possible. She knows that, when the surplus exceeds the demand, the price declines. Hence, she recommends to us the policy of free trade, so that, by destroying our manufactures, the large number of operative laborers they now engage would be compelled to become cultivators of the soil, and thus cause our annual wheat surplus to become so increased that she can buy what she needs at reduced prices, fixed in her own markets. She is, in no sense, interested in knowing what shall become of the remainder, after her own wants are supplied. It makes no difference

to her how many millions of bushels are rotted in our barns and warehouses. Her chief concern is that we shall withdraw as much labor as possible from our manufactories, so that when they shall cease to furnish a home market for our surplus, we shall be compelled to look to hers for such manufactured fabrics as we may require, and thus make us dependent upon and tributary to her. Can any man doubt, therefore, that it would be far better for us to have home markets for our surplus wheat, than to rely upon such a customer as England? This question applies to the surplus of any other of our productions, and the answer is the same with regard to all of them.

Every manufacturing establishment in the United States, no matter where located, helps to build up a home market in its own vicinity. Such establishments, considered as a whole, furnish employment to many thousands of laborers, who have to subsist themselves and their families out of our surplus agricultural products. Let the iron manufacturers be taken as an example. They require the services of the diggers of ore and coal, of teamsters, carriers, blacksmiths, and of an immense number of employés of other kinds, who are required to carry the ore through the smelting process, and convert it into the many shapes required to fit it for domestic and other uses. All these aggregate a multitude of men, women and children, who are supported by this branch of industry alone. If to these there be added the other thousands who are furnished with employment by other manufacturing establishments in the various sections of the country, the whole

constitutes an immense army, all of whom have to be subsisted out of the products of agriculture. They do not make the whole of the home consumers of these products, for the non-producing classes of the cities and towns — merchants, mechanics, professional men, and their families — have also to be subsisted. But if all these laborers and employés should be thrown out of employment — as they would be by the destruction of our manufactures — the number who are to be subsisted out of the surplus of our agricultural products would be correspondingly decreased. This would, necessarily, decrease the demand. And not only would the demand for the surplus be decreased, but, inasmuch as all these discharged laborers and employés would be compelled to become agriculturists and make the area of cultivated land much greater, the surplus would be increased and the prices reduced, and thus the home market would, in the end, be destroyed.

The farmer is interested in cheap transportation. Short hauls are cheaper than long ones. Therefore, the nearer the producer is to the home market, the greater is the profit to him. The consumer is also similarly interested, and, therefore, the nearer he is to the producer the greater is his saving; consequently, the producer and the consumer should be as near together as possible. Hence, in every neighborhood where manufactures exist, the farmer has a reliable and steady home demand for his surplus, to the extent necessary to supply the wants of those thus engaged, and the manufacturers have also a reliable and steady market for a portion of their fabrics. And thus the

two classes are mutually advantageous to each other. Both increase under the influence of home agencies, and the labor of each is properly rewarded. Free trade would destroy this mutuality of interest, and that is the chief reason why England so earnestly and persistently recommends it to us. Why any considerable number of our own citizens should desire it, is "past finding out."

The surplus of our agricultural products represents wealth only to the extent that it can find markets. It must be either sold or lost; and, if lost, the expense of the labor necessary to produce it cannot be replaced. The rent of the land upon which it grew is lost with it. The larger the unconsumed surplus becomes the greater is the deterioration of the aggregate wealth; while the aggregate wealth is increased in proportion to the increase of the surplus, provided a market is found for it. These are simple truisms, which no one can deny. Simple as they are, however, they serve to show the absolute necessity for home markets. No government is properly conducted which does not do all legitimately within its power to furnish such markets. The English Government has never failed in this respect, and it has been so successful that it has the best and most firmly established home markets in the world. All the free trade efforts of English statesmen and manufacturers are, therefore, directed to the end of keeping their own markets in this condition, and of controlling ours also; consequently, whatsoever we do to weaken our home markets is beneficial to them and injurious to ourselves.

A foreign demand is only necessary to us because it enables us to dispose of our surplus. But this foreign demand is inconsiderable compared with our domestic demand—that is, we sell abroad a very small percentage of what we consume at home. It is estimated at less than ten per cent. And if our home markets were so increased as to become sufficient for the consumption of this small percentage of surplus, we should be entirely independent of foreign markets, and the prices of our products would not be subject to the fluctuations which grow out of the necessities of other countries—that is, they would be regulated by home and not by foreign demand. To leave them subject to the latter makes our increase of wealth, to the extent of the value of our surplus, to depend on external causes beyond our control—so that, whether all or part of our surplus should be sold would depend upon whether it was needed by foreign countries or not. What they did not need we should be compelled to keep, and, in the absence of a home market, it would be lost entirely. And thus the inducements for the employment of the industry necessary to produce a surplus, would be, in a most important degree, removed, and the rewards of our industry lessened.

Since our Government was established we have had but a short period of non-intercourse with England—that is, during the war between the two countries in 1812–15. When that war commenced, our national existence under the Constitution had continued only about the length of time that has elapsed since the breaking out of our late

civil war — less than a quarter of a century. Within those years the development of our natural resources had hardly begun. Ohio — the only Northwestern State then formed — had a population of less than 300,000, and there were no artificial facilities of intercourse between the old States and the Valley of the Ohio river. The Territory of Indiana had been formed only a few years, and that of Illinois was not in existence. Our manufactures had begun to increase under the encouragement of the Government, but were compelled to rely mainly upon foreign markets for the sale of such fabrics as were not consumed at home. The foreign demand was necessarily limited, because the manufactures of England had the advantages of strong and unrelaxed government protection and skilled labor; and as we had, comparatively, no home markets, our national wealth was of slow growth. Our domestic exports fell from $45,294,043 in 1811 — the year before the war — to $6,782,272 in 1814 — during the war; a decline of $38,511,771. It was, therefore, satisfactorily demonstrated, that a more rapid development of our resources was essential to our independence as a nation. This sentiment had a stimulating effect upon our manufactures; so that they increased in value from about $172,000,000, in 1810, to over $220,000,000 in 1813 — an increase of about $48,000,000 in three years. But for this we would have been compelled to import from abroad many articles indispensable to our national defense, and of which England, by means of the war, deprived us. We had to confront the fact that no country can afford to rely upon foreign

importations to sustain itself in time of war, for the reason that if war should be carried on with the nation from which importations necessary for defense are obtained, the withholding them would prove a most successful method of attack. Such would have been the case during our last war with England, if our people had not proved themselves competent and energetic enough to extend their own manufactures, and provide themselves with the means of successful defense. And it requires very little intelligence to see that we might be placed in that condition of helplessness, in the event of another war with England —if it were possible—provided our manufactures should be abandoned by the adoption of free trade.

We have seen, heretofore, that the necessities which grew out of the war with England led, immediately after its close, to the re-discussion of the question of protection and its relation to domestic manufactures and industry. It was an appropriate time for such a discussion, inasmuch as the patriotic sentiment of nationality was as strong then as it had ever been after our independence. This is indicated by the fact that no sectional spirit was exhibited during the administrations of Mr. Madison and Mr. Monroe, in so far as the question of protection was concerned. That question was considered in its national aspects alone, and by general consent it was determined that home markets were absolutely demanded by our national necessities, and that the building up of domestic manufactures by proper protection was the only possible means of securing them. It was then and under these circumstances that Mr. Jefferson

wrote his letter to Mr. Austin, wherein he asserted the indispensable duty of placing "the manufacturer by the side of the agriculturist," so that each could have a home market and each contribute to the prosperity of the other.* He expressed in this the almost universal public sentiment of the country, which was then most earnestly proclaimed, on account of the experience we had gained in the war with England. Although there were many evidences of this exhibited in various parts of the country, that now to be stated furnishes an instance too marked and prominent to be overlooked.

An association was organized in New York, called "The American Society for the Encouragement of Domestic Manufactures." Its President was Governor Daniel D. Tompkins, who was elected Vice-President with Mr. Monroe, in 1816. This society, in an address, dated December 31, 1816—wherein the policy of protection was discussed—made this appeal in its behalf to the agriculturists of the United States, called by them, most truthfully, "the standing pillars of the Nation's independence":

"Who can have so much interest as you in the opening of canals and roads, the increase of national industry and capital, with all its ramifications, which must reach you like irrigating streams of living waters, and enhance the value of your possessions? The great improvements that must follow in the train of national industry are too far beyond ordinary calculation to be readily conceived. You will have, not one, but a *choice of markets* for your produce, of which wars, blockades, or the casualties of foreign nations cannot deprive you. You will have speedy returns of whatever you may want, and your *approximation*

*See Ante. Chap. xiv, p. 137.

to the mart of exchange will put it in your power to be the *comptrollers of your own fortunes, and the arbiters of your own concerns.*"

A portion of this address was specially directed to "our Southern agricultural brethren, in particular," to whom it pointed out the important fact that England would not buy their cotton if she could supply herself from her own colonies and from India, Africa or Brazil; and urged them to consider that, in the event of her being supplied elsewhere, the English market would be closed to them. It addressed them in these explicit words: "You will be destitute of a vent for your cotton, *unless a market can be found in our own country, by the establishment of domestic manufactures.*"

Not only is the importance of this society shown by the conclusive arguments it employed in favor of domestic manufactures, as the indispensable means of creating home markets for the benefit of the cultivators of the soil, but it is strikingly manifested by the important fact that, with full knowledge of its objects and methods of reasoning, Mr. Monroe, while President, Mr. Jefferson, Mr. Madison, and Mr. John Adams — three ex-Presidents — all became members of it, and lent their great influence to the advancement of its views and opinions. Mr. Monroe, during his Presidency, attended one of its meetings, held in the city of New York, June 13, 1817, was admitted to membership in the society, and addressed it with "eloquence and force," declaring that he considered it as "being intimately connected with the *real* independence of our country"; and promising to use his efforts to promote its "patriotic and

laudable objects." Mr. Jefferson, Mr. Madison, and Mr. Adams, were "proposed as members and admitted unanimously," at the same meeting, and were subsequently notified to that effect. Their answers, accepting membership, prove how earnestly each of them sympathized with the purposes and sentiments of the society. Mr. Adams' letter was dated June 23, 1817, and contained this sentiment, that "with agriculture, manufactures and navigation, all the commerce which can be useful to mankind will be secured." Mr. Jefferson replied, June 26, 1817, thanking the society for his election as a member, and expressly approving its "patriotic objects," said:

"The history of the last twenty years has been a sufficient lesson for us all *to depend for necessaries on ourselves alone*, and I hope that twenty years more will place the American hemisphere under a *system of its own* essentially peaceable and industrious, and not needing to extract its comforts out of the eternal fires raging in the Old World."

The answer of Mr. Madison is dated June 27, 1817. He also accepted membership and thanked the society. Speaking of domestic manufactures, he said:

"All must be sensible, that it is politic and patriotic, to encourage a preference of them as affording a *more certain source of supply for every class, and a more certain market for the surplus products of the agricultural class.*"

These illustrious men were not suspected of undue ambition, and if they ever had been, each one of them had lived beyond that period of life when he could be longer influenced by it. Whatsoever may have been said of them, under the dictation of party animosities, every fair-minded

man will agree that they were all moved by the patriotic desire to see this become one of the leading and most prosperous countries in the world; and it is a most significant fact that, unitedly influenced by this desire, they all regarded protection to domestic manufactures and industry as the chief instrumentality in effecting this great result. Yet, notwithstanding the earnestness and energy with which they so frequently, and, in so many ways, expressed themselves upon this subject, there are some, in our day, who assume wisdom superior to theirs, and who flippantly declare that those who repeat their advice and insist on its adoption, are either "bloated capitalists" or the tools of manufacturers or monopolists! Shall the appeals of these great "fathers of the republic" go unheeded, as if they were empirics and imposters? The world has always been made up of the wise and the unwise; and society is kept upon its progress and improvement only by subordinating the follies of the latter to the wisdom of the former. We shall see, in the next chapter, what assiduity is employed to inspire our minds with foreign and alien sentiments, in preference to those of the wise statesmen to whom reference has just been made, and their many distinguished compatriots who cordially concurred with them.

CHAPTER XLIV.

THE "COBDEN CLUB"—FREE TRADE THEORIES OF COBDEN—HIS OBJECT TO REDUCE PRICES OF OUR BREADSTUFFS TO BENEFIT ENGLAND—HIS PLAN—REPEAL OF ENGLISH CORN LAWS—HE DESIRED TO DESTROY AMERICAN MANUFACTURES—THAT THE OBJECT OF FREE TRADE—POLK'S ADMINISTRATION AGREED WITH COBDEN—MUTUALITY BETWEEN LABOR AND CAPITAL—IF ALL WERE FARMERS SURPLUS WOULD BE WASTED.

A POLITICAL organization known as "*The Cobden Club,*" has become very formidable in this country by the character and intelligence of its members. It has the center of its operations in New York City, where it is mainly—as is believed—supported by the large body of importing merchants who there represent foreign capital and manufactures. It has been able, however, by means of branches in other cities, and the aid of a few able and reputable newspapers, to disseminate its doctrines over large sections of the United States, and to enlist some thoughtful people among their advocates. As may be inferred from its name, it openly defends free trade, and, in recommending it, does not hesitate to employ arguments furnished by British statesmen and philosophers, in preference to those of the eminent men who not only founded our institutions, but molded the policy upon which our prosperity has hitherto rested. Nor does it hesitate to

insist that the American Congress shall take the British Parliament as its pattern, and blindly follow its dictation in making exterminating war upon the principle of protection. The fallacies employed to sustain its speculative theories are numerous, but not always easy of detection, because of the ingenious sophistry in the use of which their advocates have become adepts. Its members, however, recognize Mr. Richard Cobden as their great prototype, and borrow their proposed policy from his teachings. An inquiry into those teachings, consequently, becomes essential to a proper understanding of what they propose to accomplish by success.

Mr. Cobden was a philanthropist as well as a statesman. He was also a manufacturer; and it is no impeachment of his integrity to say that he sympathized with the class to which he belonged in England. His broad humanitarian views must have, in some degree, influenced his opinions upon public questions, and caused him to desire that the condition of manufacturing operatives should be improved. When he began the work of reform as an active agitator, the commercial supremacy of England, which had been successfully maintained for many years, was seriously threatened. Her manufacturers were suffering from great financial depression, and the mass of her laboring population were reduced to a condition bordering upon pauperism. Referring to this in one of his speeches, he said:

"When I go down to the manufacturing districts, I know that I shall be returning to a gloomy scene. I know that starvation is stalking

through the land, and that men are perishing for want of the merest necessaries of life."

All this he attributed to the principle of protection and the absence of free trade; and, therefore, with the express object of causing the latter to be adopted, he inaugurated an active war upon Parliament, because it had, for a long series of years, maintained the former. To him it seemed that it was the duty of Parliament, not only to secure fair wages for labor, but to reduce the cost of subsistence to English laborers by cheapening the prices of food. He considered cheap food as necessarily leading to fair wages, and, consequently, never lost sight of that idea. It constitutes, indeed, the key that unlocks his entire policy. Finding the laboring population of England rapidly increasing, and rejecting the Malthusian theory of reduction—and her manufactures encountering, everywhere, formidable rivalry from those of the United States and Germany—he reached the conclusion that the existing evils could only be removed by putting an end to this rivalry—that is, by lessening the products of American and German manufactures and increasing those of England. His perceptions were so keen, and his mind so intelligent that he could not fail to know that, in this way and no other, could the manufacturers of England maintain that control over the markets of the world, by means of which they had acquired their great wealth. Consequently, his first effective movement was the formation of the "*Anti-Corn-Law League*," which was designed as an arraignment of Parliament for having fostered this "rivalry of foreign competition." He, and

those who co-operated with him, insisted that protective duties in England had produced the effect of inviting "America and Germany to divert their resources from the production of food, in order to satisfy their natural demand for manufactures"; and that something should be done to counteract these threatening influences. It was entirely manifest to him that, if fabrics manufactured in the United States and Germany continued to increase in quantity, and to take the place of those manufactured in England, the laborers of that country would be thrown out of employment, their distresses increased, English manufacturers compelled to divert their capital to some less profitable enterprise, English commercial supremacy be brought to an end, and the United States and Germany become great manufacturing and commercial nations.

One of the first speeches made in Parliament by Mr. Cobden was intended to show that the repeal of the English Corn Laws would lead immediately to "the inter change of food and manufactures between England and the United States—that is, that it would enable England to exchange her manufactures for our surplus breadstuffs. Of course, it did not concern him to inquire what amount of our own manufactured fabrics would remain unconsumed, or would have to find new markets. That was a matter in which Parliament had no interest, and in which he had none. His proposition was that it was the duty of Parliament to open, in some way, an American market for English goods. He had no thought of having anything done to open an English market for American goods; for,

in subsequent explanation of his theory, he showed his meaning to be that, in the event of free trade between England and the United States, there would be no American manufactures, and, therefore, no American goods to seek markets anywhere. He viewed the matter exclusively from the standpoint of an English statesman and manufacturer. Possibly it may not have occurred to him that the United States would be likely to remember the illiberal and oppressive measures by which England had, for many years, endeavored to keep us in a condition of inferiority by destroying our trade and commerce. The benevolence of his own motives may have induced him to suppose that we would be ready, at the invitation of Parliament, to exhibit such a spirit of brotherly kindness and generosity as to impoverish our own manufacturers in order that those of England, including himself, might augment their trade and wealth at our expense! Undoubtedly he was incited, by the philanthropic tendency of his mind, to consider the opportunity a favorable one for urging, not upon England alone but the United States also, the necessity of considering the two countries as reunited in the bonds of reciprocal friendship—as again allied by the kindly spirit of brotherhood—as having no motives for commercial rivalry—or any other interests than those common to both. This, considered alone in a humanitarian point of view, was creditable enough to the heart of Mr. Cobden, as a philanthropist; but he fell into the error of supposing that the time had arrived, or was rapidly approaching, when nations, stricken upon one cheek, would turn the other. And he was in error

also in supposing that the people of the United States would not be likely to see and accurately measure, in all its dimensions, the ingenious plan he was contriving for turning them back in the march of material development, by shutting up their manufactures, and diverting the labor they had employed so profitably, to the cultivation of the soil, in order to increase their agricultural surplus, and lessen the value of their agricultural labor thereby, so that the price of food in England would be cheapened, to enable English manufacturers to subsist their laborers at less cost, and, by that means, make larger profits.

By way of enforcing these ideas Mr. Cobden suggested that, by the reduction of the English duties, so as to make a beginning in the direction of free trade — which was the ulterior point of his policy — the process of exchanging American wheat for British manufactured goods would at once begin. He said:

"Suppose, now, that it were but the Thames instead of the Atlantic which separates the two countries — suppose that the people on one side were mechanics and artisans, capable by their industry of producing a vast supply of manufactures; and that the people on the other side were agriculturists, producing infinitely more than they could themselves consume of corn, pork and beef — fancy these two separate peoples anxious and willing to exchange with each other the produce of their common industries, and fancy a demon rising from the middle of the river — for I cannot imagine anything human in such a position and performing such an office — fancy a demon rising from the river and holding in his hand an act of Parliament, and saying, 'You shall not supply each others' wants'; and then, in addition to that, let it be supposed that this demon said to his victim, with an affected smile, 'This is for your benefit; I do it entirely for your protection!' Where was the difference between the Thames and the Atlantic?"

The picture here drawn is somewhat fanciful, especially in those portions where the Atlantic is dwarfed to the size of the Thames, and the principle of protection is compared to a demon. Nevertheless, its most conspicuous and prominent feature is plainly exhibited, in this, that he manifestly considered the English people as more competent than the American to become skilled mechanics and artisans; and the latter as better suited than the former for cultivating the soil and raising corn, pork and beef! These he supposed to be the separate vocations for which the two peoples were naturally adapted; and, therefore, in order that each should remain in its proper sphere, his imagination suggested that the Atlantic should be reduced to the dimensions of the Thames, by the simple process of free trade, so as to remove entirely that spirit of rivalry which had stimulated the American manufacturers to such competition with those of England as had seriously interfered with the business and lessened the profits of the latter. Deploring the consequences produced by this rivalry, not only as an Englishman but as a manufacturer, he regarded his duty as two-fold—first, to see that the commercial supremacy of England was re-established and maintained; and, second, that the legislation of Parliament should give preference to British over American manufactures. He should not be complained of, nor should his motives be assailed for this, because, as a member of Parliament and a thorough Englishman, he represented English interests exclusively. As between England and the United States it was his duty, and as an English manu-

facturer it was his interest, to bring about such legislation as would tend to strengthen the former and weaken the latter—such as would drive American manufactures out of the markets of the world to make room for English. And it was no less his duty and interest to influence, as far as possible, the price of food in England, so that by reducing it to a low standard the profits of English manufacturers would be increased. These objects, in fact, constituted the chief aim of his ambition. They influenced him to enter Parliament, where he concentrated all his energies—which were eminently great—to accomplish them. His perseverance was untiring, and the success he won—which was marked and distinguished—constitutes the basis of his fame.

Mr. Cobden's opinions have a most important bearing upon our interests, which may easily be seen by those in this country who have leisure and opportunity to investigate these matters. It does not require much reflection to observe that the very arguments employed by him in favor of free trade, prove conclusively that in precisely the same degree that free trade, as he understood it, would benefit England it would injure the United States. Nothing would more assuredly arrest our prosperity than to divert the large amount of labor engaged in manufactures in the United States to the cultivation of the soil. Such an increase in the number of agriculturists would, necessarily, increase also the surplus of wheat, corn, cattle, hogs, etc., and cause a corresponding decrease in the price of these articles, as well as in the value of lands. These conse-

quences — that is, the destruction of manufactures, the decreased value of labor, and of farm products, and of lands — would cause the United States to become many millions of dollars poorer; and, as we should have to buy all our manufactured fabrics from England, they would cause that country to become many millions of dollars richer. Why Mr. Cobden should have desired this, and labored so hard to bring it about — when it is considered that he was an Englishman and a manufacturer — is easy enough to understand. But why any considerable number of the people of the United States should desire it, is exceedingly hard to comprehend.

No injustice is done to the memory of Mr. Cobden by this method of stating his opinions. According to Mr. John Bright — his most distinguished coadjutor — the discussion in and out of Parliament, for seven years, involved one question — "whether it was good for a man to have half a loaf or a whole loaf." The idea suggested by this was not whether a whole loaf was better than half a loaf — for such a proposition could not give rise to any difference of opinion or debate — but whether a whole loaf should be purchased for the price then paid for half a loaf — in other words, whether the price of subsistence in England should be reduced one half. Of course, such a question was important to the laborer, as a consumer, and thus Mr. Cobden and Mr. Bright were enabled to enlist all the manufacturing operatives in England on the side of the "*Anti-Corn-Law League*," and, by this means, to bring about, in the end, the repeal of the corn laws. Their zeal

in the service of this large class was, in all respects, commendable. But it would have been more disinterested if England had been the producer of all the means of subsistence of her own laborers. In that case, she would have shown something like magnanimity by reducing the value of her own farm products, for the relief of her own suffering laborers. Mr. Cobden and Mr. Bright would, possibly, have consented to this, for they were both urged forward by humanitarian motives. But the land-owners of England would not consent to it, and, as the governing class, they possessed the power to influence the decisions of Parliament. No such case as that, however, existed or could exist, for the reason that the lands of England, however highly cultivated, were insufficient to produce the amount of subsistence required by her laboring population. They had to be fed by the products of other countries, including the United States. Nobody understood this better than Mr. Cobden, and, consequently, he kept that fact so constantly prominent before Parliament that he finally brought the land-owners to see that to reduce the cost of subsistence would tend to reduce the value of breadstuffs in the United States and other exporting countries. And by this means he succeeded in getting the Corn Laws repealed — manifestly realizing, at the same time, that the full benefits he had promised, as the result of the repeal, would not follow unless the United States could be persuaded to adopt the policy of free trade. That, in his opinion, would lead directly to the reduction in the price of food, which he so earnestly desired, and which was the great object of all

his exertions. In one of his speeches he quoted approvingly an English workman, to the effect "that high provisions make low wages, and cheap provisions make high wages"; — showing that, in his opinion, high provisions in England assure high prices there for the agricultural products of the United States, and that low provisions diminish them. It did not, of course, require any extraordinary reasoning powers to enforce this proposition, for there was no difficulty in seeing that as the prices of breadstuffs in England were regulated by the ability of the consumers to pay for them, they would necessarily decline with the decline of their ability.

So long as Mr. Cobden was content to confine his arguments in favor of repealing the corn laws, to the proposition that the price of subsistence would be reduced to the extent of the duty taken off, what he said would furnish no ground for criticism in this country. He, however, went beyond this, by undertaking to show that he desired a still greater reduction, which, as he argued, could only be produced by destroying American manufactures and diverting the labor employed by them to agricultural pursuits, so as to increase the surplus of their products, and thereby reduce the prices still greater than would follow the removal of the duties. As this, in point of fact, constitutes the most prominent feature of all his arguments, it is necessary to understand his views fully, inasmuch as the "*Cobden Club*" has undertaken to disseminate in the United States his peculiar doctrines with reference to free

trade. To aid in doing this intelligently, the foregoing analysis of them has been made

There are three classes of people in the United States who are interested in thoroughly comprehending these teachings of Mr. Cobden, in order that they may realize what will be the effect of free trade upon their prosperity, if his followers in this country should accomplish the object for which they are so earnestly laboring. These are farmers, manufacturers and manufacturing laborers. They represent a very large percentage of our population, and, together, contribute, in a far greater degree than all other classes combined, to the wealth and material advancement of the country. Their importance is recognized and admitted by all. They can easily see, with but little reflection, how their interests would be imperiled by free trade, as explained by Mr. Cobden, its most zealous and greatest defender. The farmer would find the profits of his labor seriously reduced, if not wholly destroyed. The manufacturer's capital would be lost and his business broken up. The manufacturing laborer would be thrown out of employment, and forced, in order to secure a bare subsistence for himself and family, to find some new occupation unsuited to his habits, and at far less wages than he had been accustomed to receive. And the amount of injury inflicted upon these three classes would be so great as to affect injuriously all the business of the country, and thus paralyze every department of industry.

It has, in previous chapters, been explained why the Protective Tariff Act of 1842 was repealed, and why that of

1846 was passed, and its principles continued in that of 1857. And if the three classes of people above named, will take the pains to inquire into the arguments made by Mr. Cobden, in favor of free trade, they will find that the same arguments substantially influenced the passage of the two last acts. When Mr. Walker, Secretary of the Treasury under Mr. Polk, undertook to show that the interests of the cotton-growers would be promoted by reducing the prices of our agricultural products, so that English manufacturers would thereby be enabled to pay higher prices for cotton, he — whether consciously or not, is now of no consequence — made himself the voluntary indorser of Mr. Cobden's opinions. He endeavored to Americanize English ideas; and he succeeded to the extent of misleading the country by assigning the temporary increase of revenue to other than the true causes, and by seriously embarrassing the national Treasury. The reasoning of Mr. Cobden may have been logically true from the standpoint of an English statesman and manufacturer; but the same argument made by Mr. Walker was logically false from the standpoint of an American Secretary of the Treasury. The plain and simple fact is, that the chief object to be produced by free trade, in Mr. Cobden's view, was to reduce the price of the agricultural products of the United States, for the benefit of English manufacturers, and the chief object of American free trade, in Mr. Walker's view, was to accomplish the same result, for the benefit of both English manufacturers and American cotton-growers. The mutual interests of these two classes

—one English, the other American—centered, according to the free-trade theories of both Mr. Cobden and Mr. Walker, in opposition to agricultural and manufacturing industry in this country.

This contemplated injury could not be inflicted upon our vast agricultural and manufacturing industries without seriously deranging all the business of the country; nor could it be inflicted upon one of these industries without prejudice to all others—especially to the labor they employ. It is capital that furnishes the means of rewarding labor, and the wages of labor, in any occupation, are always and necessarily regulated by the amount of capital employed. He who erects manufacturing establishments, determines their extent by the amount of his capital. If this enables him to operate extensively, he will require a larger amount of labor and, therefore, a larger number of laborers, than he will if compelled, on account of limited capital, to carry on business upon a small scale. Upon the same principle the farmer will cultivate more or less land, or raise more or less grain, stock, etc., accordingly as the prices paid for his surplus are high or low; and as these prices depend upon the demand for his surplus, and as this is always greater or lesser accordingly as there are a greater or lesser number engaged in manufactures, therefore, each should have a fair compensation assured—the farmer, that he may be remunerated for producing the surplus, and the laborer, that he may have the means of purchasing it for his subsistence. If anything should occur to withhold just

compensation from the farmer, he would have no inducement to create a surplus; and if just compensation were withheld from the laborer he could not provide for his subsistence by purchasing the surplus. And thus each would be injured if the free trade theories of Mr. Cobden and Mr. Walker should prevail in this country.

The interest of the laborer requires that a large amount of capital shall be engaged in manufactures, so that he may obtain high wages; and the interest of the farmer requires that the laborer shall receive high wages, so that he may be able to purchase his surplus products. Consequently, the mutuality of interest between the agriculturist, the capitalist and the manufacturing laborer, is as necessary to material development as air and moisture are to vegetable growth. It is alone by protection to the various forms of industry that the Government provides for the regulation of these mutual relations. If capital is protected it will seek investment in manufactures. If manufactures are protected they will create a demand for labor; and the protection thus given is beneficial to the farmer and the laborer — to the farmer, because it creates a market for his surplus, and to the laborer, because it assures him good and steady wages; and thus the capitalist gets a fair profit for his capital, the farmer fair rent for his land, and the laborer a fair rate of wages.

But free trade disregards these relations; and, instead of encouraging them to harmony and mutuality, it incites them to rivalry. If adopted in this country it would force

capitalists to withdraw their capital from manufactures and put a stop to the demand for labor in that direction. Labor, being thus left without reward, would be unable to contribute towards the creation of a market for the consumption of the agricultural surplus. The necessary decline in the price of the surplus, in consequence of this withdrawal of the demand, would impoverish the farmers. And as everybody knows that agriculture is the basis of all our prosperity, it is unnecessary to say that the impoverishment of our farmers would send a shock through all the avenues of business.

England could never have been content at the infliction upon her interests of the injury which free trade would produce in this country, upon all these classes of people, and, through them, upon the whole body of the people. She is far too sagacious to submit to any condition of affairs which tends, in any degree, to reduce her to inferiority. When she adopted free trade it was intended to counteract the influence of protection in the United States, where it had produced the same effect as in that country. A consciousness of this stimulated Mr. Cobden and suggested to his fertile mind that the only remedy would be free trade in both England and the United States—because as protection had built up our manufacturing industries, free trade would destroy them. Therefore, when England saw herself entering upon a commercial decline in consequence of the rivalry occasioned by the progress of American and German manufactures, she was in a condition to be impressed by Mr. Cobden's ideas of free trade, for the

plain reason that he proposed to put an end to this rivalry by removing the cause of it—that is, by breaking up American manufactures. The repeal of the Corn Laws was the first step towards this; which was, manifestly, adopted with the view of having the United States do the same thing, so that when the death wound should be inflicted upon American manufactures it should at least have the appearance of being received in the house of their friends. It is undoubtedly true that Mr. Cobden's scheme would not have proved a success, and free trade would not have been adopted in England, but for the belief that the United States would, in the near future, do the same thing. Our advances towards that end—the evil effects of which have been pointed out—had already created this impression. The passage of our tariff of 1846, under the lead of Mr. Walker, was almost contemporaneous with the repeal of the English Corn Laws, under the lead of Mr. Cobden; as if the two nations were holding out their arms to embrace each other in the genuine spirit of brotherhood! Mr. Cobden hoped to see the Atlantic reduced to the dimensions of the Thames, but he expected to see the rich treasures of commerce which were borne upon its waters poured into the laps of his own countrymen. Mr. Walker was partially deluded with the same idea, and was quite willing to see that end consummated, even at the expense of all the other sections of the Union, provided only that the cotton-growing section should be benefited by the increased prices of its cotton. Therefore, the beneficial effects of free trade, promised to England by Mr. Cobden

and his allies, were expected to be derived more from our free trade than theirs. While the laborers of England were not more numerous than she could subsist by the products of her own soil and that of her dependent Colonies, she persevered in protection as the only means discovered by her ablest statesmen of developing her resources and extending her commerce. But when she realized the painful and unwelcome fact that her products were no longer sufficient for that purpose, and that she was compelled to import food for her laborers from the United States, to keep them from starving, then Mr. Cobden and the "*Anti-Corn-Law League*" prescribed the panacea of free trade in both countries, as the only effective remedy, because it would cheapen food, first in England and then in the United States, and lead, with unerring certainty, to lower the price of labor, ruin American manufactures and continue the commercial supremacy of England throughout the world.

If the condition of this country were like that of England—if we had to subsist our laborers by the importation of food from foreign countries, as England is compelled to do, then some plausible reason might be found why we should desire to cheapen the prices of agricultural products in the countries from which our importations would come. In that event the "*Cobden Club*" would have opened before it the same field of operations as that in which Mr. Cobden won his fame. But our condition is the very reverse of this—a fact which deserves to be repeated a thousand times. It is by the exportation of our surplus

that we furnish subsistence for other countries — especially England; and, consequently, our interest demands that the prices of our surplus shall be increased, not diminished. What we need for our surplus wheat, corn, beef, pork, etc., is high prices, not low. What England desires and needs for her interests, is that the prices of all these shall be low, not high. And thus the issue between protection and free trade, in the United States, becomes so simple and palpable that no sophistry is ingenious enough to disguise it, when subjected to the scrutiny of thoughtful and practical minds. Protection assures high prices for labor — therefore, it should be preserved in the United States for the benefits it confers. Free trade assures low prices for produce and low wages for labor,— therefore, it would inflict serious and irreparable injury upon this country and confer important advantages upon England. In deciding which of these consequences to prefer — the advantage of the United States or of England — it would puzzle even the "*Cobden Club*," with all the recognized ability of its members, to contrive a logical and valid argument by which preference of the latter over the former can be maintained — viewed from the standpoint of our own interests.

If this country should be persuaded to follow the advice of Mr. Cobden, and of the "*Cobden Club*," and submit to being made entirely agricultural, through the instrumentality of free trade and the destruction of our manufactures, we should always possess the ordinary means of comfort and quiet enjoyment, because, by the cultivation of the soil, we should be supplied with the chief necessaries of

life. That is the condition for which Mr. Cobden seemed to think nature designed us, inasmuch as it has withheld from our people the genius and talents necessary to rival those of England in skill! Nevertheless, it is true that countries where agriculture and manufactures both exist, side by side, are found to possess greater means of material advancement than those entirely agricultural. Agriculture depends upon soil and climate, and neither of these is sufficiently diversified to allow very much departure from the ordinary methods of cultivation and production. There is room only for limited experiments and improvement. It is otherwise with manufactures. They open more and broader fields for the display of ingenuity, and give greater stimulus to the genius of invention. And as each new invention leads to others, all the wants and demands of society are supplied by every variety of machinery. Such has been our experience hitherto; and if, in the face of this, we shall now be prevailed upon to depart from the settled policy which has produced such prosperous and satisfactory results, we might well be compared to the man who, weary of life, puts an end to it by suicide.

CHAPTER XLV.

TAXATION INEVITABLE—DIRECT AND INDIRECT TAXES—FREE TRADE LEADS TO FORMER—VALUE OF REAL AND PERSONAL PROPERTY—DIRECT TAXES FALL HEAVILY UPON THE FORMER—THEY ARE COMPULSORY—TAXES UPON NECESSARIES AND LUXURIES—DIRECT TAXES OPPRESSIVE TO LABOR—CLASS SOCIETY IN ENGLAND—EFFECT UPON LABOR—LABORERS KEPT IN INFERIOR CLASS—FREE TRADE DERIVED FROM POLITICAL ECONOMY—HOW THAT BECAME A SCIENCE—ENGLISH LABORERS NOT RELIEVED—WOULD REDUCE AMERICAN LABORERS TO SAME CONDITION.

BY the introduction of free trade in England, the government has been compelled to persevere in an oppressive system of direct taxation, to obtain the means of support. That a like result would follow its introduction in the United States is perfectly evident, unless some method of carrying on the Government without taxation is discovered—which nobody proposes or anticipates. There is nothing more certain than taxation. In some form or other we must all bear its burden, because society needs the protection of governments, and governments can only be maintained by means of it. The periodical return of the tax-gatherer is as regular as the return of the seasons, but far more unwelcome. Under our form of government universal suffrage has been adopted in order to preserve the principle that taxes shall not be assessed without the "consent of the governed," it being designed thereby to lighten

the burden as much as possible. Hence, there is no question connected with the administration of public affairs, of greater concern to the people, than that involving the mode of raising the public revenue. The proposition that taxes for this purpose shall be in the least possible degree oppressive upon labor and industry, is universally accepted, because these are the real sources of our material prosperity. But how to make them so is not only the great problem of the present, but will be of the future also. The burden may be lessened, but cannot be entirely removed.

There are but two modes of taxation—direct and indirect—and the power of Congress is the same over each. The only measure of indirect taxation hitherto employed by the National Government, is by laying duties upon imports. The payment of these is made at the custom houses, by the importer of foreign goods; and, in so far as they enter into the prices of imported articles, they are voluntarily paid by the consumers of those articles—for it should not be forgotten it is entirely discretionary with each individual whether he will or will not purchase and consume foreign goods. If he does not, he will not repay to the importer any part of the duties paid by him to the Government. If, however, this system were abolished, direct taxation would necessarily follow, and all taxes would then be paid by compulsion, as they now are for State, county, and municipal purposes, in all the States. By this system a percentage of tax would be levied upon every dollar's worth of property in the country, in order to

raise the amount required by the wants of the Government. The largest part of the burden would then fall upon the wealthy classes, yet it would fall proportionately upon all who own property of any description, and more heavily and oppressively upon the poor than the rich. He who receives a large income from accumulated property and capital, always pays his taxes more easily—but not always more willingly—than the man whose labor is his only capital, and who has no income beyond what it produces. Whatsoever is accumulated by the former without labor, and by the latter by means of labor, enters into the mass of property subject to taxation; and the method of reaching this mass for purposes of taxation is simple, because it is direct.

The estimated value of property in the United States in 1870 was $30,068,518,507, and the assessed value for taxation, was $14,178,986,732—less than one half. In 1880 the estimated value was $43,642,000,000, and the assessed value $16,902,993,543—an increase, during the decade, of only $2,724,006,811, or about nineteen per cent. It may be safely assumed that by the time any system of direct taxation could, if established, be carried into effect, the ordinary expenses of the Government would border very closely upon $250,000,000 per year. If to this shall be added the amount necessary to be paid annually for interest on the public debt, until our bonds have matured, the sum to be raised each year will be over $300,000,000. This would, of course, require a large percentage of direct taxes upon every species of property in

the United States at its assessed value. It requires but a glance, however, to see that it would fall most heavily upon real estate, inasmuch as its real and assessed value greatly exceeds the real and assessed value of personal property. To illustrate: The assessed value of real estate in 1880 was $13,036,766,925, and the assessed value of personal property was $3,866,226,618—a difference of about three and a half to one. The fact would be, therefore, that by a system of direct taxation, the amount levied and collected from real estate would be more than three times as much as would be levied and collected from personal property. It is scarcely to be supposed that the great body of the American farmers would desire to see the present system, by which all they pay into the National Treasury is voluntarily paid, changed for one by which they would be required to pay, by compulsion, so large a proportion of the public revenue.

This mode of statement, however, assumes that the assessed value of the property to be reached by direct taxation would be arrived at by the same methods of appraisement that now prevail in the States, and by which property is invariably appraised, for purposes of taxation, at much less than its actual value. The value of both real and personal property would undoubtedly be increased; but the great bulk of the assessment would continue to fall upon real estate. The proportions would probably remain about what they now are under the systems prevailing in the States—that is, for every $1 of tax assessed upon personal property there would be at least $3 assessed

upon real estate. Can anyone imagine why such a state of things as this should exist? why the owners of real estate should pay three times as much for the support of government as the owners of personal property? Such an arrangement would be beneficial to bankers, brokers, stock-operators, corporations, and all engaged in speculations; but would be seriously oppressive to that large class who are owners of their own homes, and who constitute the most substantial of our population. And when it is considered that the national taxes, thus to be assessed and collected under a system of free trade, would be in addition to what must also be paid for State, county, township and municipal purposes, the burden of taxation would soon become so great that it would be exceedingly difficult, if not impossible, to bear. And if there should be any failure or refusal to pay, the assessed property would be distrained and sold — usually at a ruinous sacrifice, as generally happens in such cases. But in any view the burden would be more oppressive upon those in moderate circumstances than upon such as have abundance, because it would take from the generality of that class the pittances which constitute the surplus profits of their labor, which, in innumerable cases, is indispensably necessary for their own support and that of their families.

The fact that the payment of direct taxes to the Government would be compulsory, instead of voluntary, as it now is, deserves serious consideration, in determining whether direct or indirect taxation shall prevail. No owner of property could escape them without fraud, for which he

would be made liable to punishment — perhaps criminally — if detected. Their collection would require the appointment of many thousands of assessors, collectors, clerks and other agents — a number sufficiently large to reach every home and every individual in the country. To say nothing of the additional expense required to compensate such an army of employés, they would constitute a body of most unwelcome visitors to every neighborhood, and would often, by extortions in the name and by the authority of the Government, rob labor of a large portion of its reward.

The number of those who openly avow themselves the advocates of a system of direct taxation, has not yet become very large. But all the supporters of free trade, like those of the "*Cobden Club*" — whether they acknowledge it or not — must be put down as preferring it to the indirect taxation which is part of the protective system. Not only do all their arguments lead to this, but there is, in point of fact, no middle ground for them to occupy. Some of them, who are entitled to credit for sincerity, seek to escape the result behind the plea of duties for revenue only — that is, duties too low to discriminate for protection — without seeming conscious that there is but a single step from an exclusively revenue tariff to free trade, and that free trade leads, unavoidably, to direct taxation.

No system of taxation has yet been discovered that does not bear, in some degree, upon both necessaries and luxuries; and, it is one of the most important problems in the economy of government so to apportion the burden

between them that it shall fall most heavily upon the latter. It is not always easy to decide, in an abstract sense, what are and what are not necessaries, and what are and what are not luxuries; inasmuch as each individual must decide such matters for himself, and enjoy the one or the other according to his ability. The tastes of those who subsist by labor do not incite to an indulgence in luxuries, to the same extent as they do among such as do not labor. Nevertheless, the former are more entitled than the latter to such protection and encouragement from the Government as shall enable them to obtain luxuries whensoever they shall desire to procure them, because of the larger contributions they make to the development and permanent welfare of the country. This protection and encouragement can only come from such public measures as are calculated to influence the wages of labor and the prices of its products, for by these alone are the means furnished for the purchase of either necessaries or luxuries. Absolute necessaries are enjoyed in common by all, and, therefore, should be exempt from the burden of taxation in as great a degree as possible, in order that the laborer may be relieved to the extent of the exemption, whensoever the price would be increased by taxation. Now, it is one of the chief merits of the system of indirect taxation which has hitherto prevailed in this country, that, unless the wants of the Government shall require it, necessaries shall be exempt from taxation and the burden rest upon luxuries. By this means labor is left in possession of a larger portion of its wages, for the uses of life, and is

thus protected and encouraged; while the consumers of luxuries voluntarily contribute to the increase of the public revenues. No such merit can be attached to a system of direct taxation, because, from its nature, it involves the abandonment of this discrimination in favor of labor, and throws the burden equally upon every dollar's worth of property, no matter whether possessed by those who consume necessaries alone, or by those who consume both necessaries and luxuries. Between two systems so unlike in all matters of the most essential importance, it is not a little surprising that there should be the slightest hesitation, in a country like ours, where society recognizes no upper and lower orders, and where the great principle of equality must continue to be the assurance of our future progress.

In England it is otherwise. There the existing ranks in society — founded upon the idea of the superiority of one portion of the population over all others — constitute the foundation upon which the government has always rested. By this means it acquires its aristocratic feature, which could not exist without social distinctions arising out of the supposed purity of blood in one rank and impurity in others. The foregoing argument would be of no avail, in that country, with the governing class, which, although in the minority, maintains its supremacy by keeping the laboring masses of population in their inferior condition — fearing that their elevation would lead to a radical change in the form and structure of the government. Hence, all efforts in that country having reference to the wages of

labor and the condition of laborers, look only to such measures as afford a bare subsistence — leaving nothing for profit or accumulation. English policy makes the laboring man much like a machine, and holds him in that condition — caring for him only to the extent of his indispensable wants. Therefore, it is of but little concern to English statesmen how much labor is oppressed, or how low wages are reduced, or how limited are the means of the laborer for educating his children, or how nearly he and they approach to pauperism, provided the dependent class is kept in a condition of inferiority. Any exertion to remove this inferiority is resisted by them, with their invariable tenacity of purpose, to maintain the aristocratic feature of the government, which assigns to them the upper and to laborers the lower rank in society.

In a state of society molded by such sentiments and influences as these it is not to be supposed that the policy of the government, whatsoever it is, has any special reference to the interests of the laboring population, as such. The influences which reach them are only incidental to such as have been created for the benefit of the governing class. Even the repeal of the corn laws, on the ground assumed by Mr. Cobden, constituted no exception to this. The relief proposed to be extended to laborers by that measure was not primary, on their own account; but secondary, because it was designed to benefit the manufacturers. Those laws would have remained unrepealed, if no other interests than those of English laborers had been involved. The necessity which called for their

abrogation has been explained — that is, it was the first step in the direction of free trade, which did not promise increased wages to labor, but increased profits to manufactures. If laborers were benefited by it in any degree, they were only raised up above the starvation point, and left to struggle on in their inferior condition, without any additional rays of hope for the future. Even when free trade was actually reached, the motives of the governing class were the same, that is, merely to furnish employment to English laborers without any increase of wages, so that English capital should be assured of larger profits and English manufacturers of the supremacy they claimed on account of their supposed superiority. That free trade was intended to leave the laborer in the condition to which he had been reduced by low wages, so as to cut off all reasonable prospect of his social elevation, will be seen by a brief reference to its origin, and the meaning attached to it by some of its ablest English expounders.

It had its source, as we have already seen, in the teachings of David Hume and Adam Smith. Both of these men were eminent for learning and ability, but neither participated actively in business affairs. Each endeavored, in the seclusion of his closet, to construct a system of rules for the direction of matters of which he had little or no practical knowledge. This being generally understood, the doctrines and theories they announced failed to obtain favor even in England, until many years had elapsed. They were looked upon by almost the entire public as the crude speculations of ingenious and learned men, both of

whom were, in some measure, shunned by the general public in consequence of their defense of the infidel sentiments of France. Smith's "*Wealth of Nations*" for a long time interested scholars only. No English statesman considered it as furnishing rules for the practice of government, until it was discovered that it could be appealed to as supplying arguments in favor of free trade. Even then it was not easy to bring its doctrines into popular favor. It had to be done gradually and somewhat by indirection. The essential step, most relied on, was the conversion of the theories of political economy into such a system as would be entitled to recognition as a science, to be taught in colleges and schools, so as to lay the foundation for the ultimate adoption of its principles by the government. This required the concentration of a large amount of influence outside of Parliament, and chiefly among the literary men of the country. Magazine literature was largely employed, especially that which emanated from the *Edinburgh Review*, which, for a number of years, stood at the head of all such publications in the world. At last, after years of active exertion, success was so far achieved that political economy was placed among the sciences, to be taught to the young, so that the public mind might be inoculated by degrees. In considering the claims this new science has upon our favor, it is worthy of note that it would not, in all probability, have acquired the designation of a science at all, if it had not been found that its free-trade principles were necessary to the commercial interests of England. As it is, it is crowded with speculations and abstractions

about wealth, labor, wages, rents, and many other kindred matters, which no government in the world has ever yet recognized in practice, and about which scarcely any two of its defenders agree. England employs it to persuade the United States to adopt the policy of free trade — her elevation of it to the condition of a science was for that purpose. One of its most distinguished disciples, David Ricardo — who was rewarded by a seat in the Parliament of England, and whose work in defense of it is now used in American as well as English colleges — took special pains to point out, as part of this new science, the particular uses for which some of the leading nations were fitted, and to show that if they attempted others they would violate some of its essential principles. According to him it teaches, as a scientific principle, that all the nations must conform to the rule which requires that each shall follow the pursuits for which it is adapted, so that they may build up a "universal society of nations throughout the civilized world." In giving special illustration to this idea, he defines the pursuits for which some of the nations are adapted, and to which, according to the science of political economy, they are obliged to confine themselves, in these words:

"It is this principle which determines that wine shall be made in France and Portugal, that *corn shall be grown in America* and Poland and that *hardware and other goods shall be manufactured in England.*"

We see, in these opinions of Mr. Ricardo, a precise conformity to those expressed by Mr. Cobden, by Mr. Walker, and by all who have maintained that we should

not engage in any other pursuit but agriculture until all our vast body of land is in cultivation. It shows how admirably the new science of political economy has been constructed — to promote English interests at the expense of the United States! Basing free trade upon its teachings, all the enemies of protection who follow the "*Cobden Club*" and the political economists, insist that we shall tamely submit to our destiny by confining ourselves to the cultivation of the soil, while England shall be left to fill the higher and more profitable sphere of manufacturing for the whole world! They fix the occupations of the nations according to the grades of their capacity, and, with the help of college lecturers, present us with a chart of our national characteristics, whereby we learn that our inferiority to England is only the result of manifest destiny! And why should we murmur at such a fate? Is it not scientifically demonstrable that we are fitted only to become the producers of such articles of food as English necessities shall require? No matter if it does exhaust all our wealth to buy manufactured fabrics from England — we are thereby promoting the great and laudable object of creating a "universal society of nations throughout the civilized world"; which conduces far more to the happiness of mankind in general than it would for us to build up a great and powerful nation of our own!

During the time that South Carolina was attempting to establish free trade with the bayonet — by nullifying our tariff laws — the political economists came to their assistance by an active dissemination of their principles. The

treatise of Jean Baptiste Say was published in Philadelphia at that time, and, undoubtedly, with the purpose of impressing the people of the United States with the views expressed by Mr. Ricardo with regard to their destiny and duty, so that when some such man as Mr. Cobden should appear in England, and such a one as Mr. Walker in the United States, to enlighten the public mind, we should be able to furnish our contribution, with becoming humility, to that great "universal society of nations," when "the wolf shall dwell with the lamb, and the leopard shall lie down with the kid; and the calf and the young lion and the fatling together; and a little child shall lead them!" Although this condition of the world has never existed, and will never exist until the millennium, yet the political economists, and the politicians who advocate free trade, and the "*Cobden Club*," and all whose enthusiasm incites belief in the universal brotherhood of man, join in strenuous efforts to lead us away from the paths marked out by our fathers, into those which lead through interminable forests where the ways are not blazed out and where bogs and morasses and quicksands abound. Which class of advisers shall we follow?

It was very easy to persuade the English Government that it was best for English manufacturers that they should have no competition in the United States, and that we should confine ourselves to raising cheap subsistence for their laborers. It was easy also to make the writings of Hume, Smith, Ricardo, Say, and other political economists, text-books in the colleges and schools of England, because

they taught this doctrine as a scientific truth. There was a great deal of human nature in all this; but, at the same time, England had a more difficult problem to solve in dealing with the multitude of her starving population. In the first place, it was necessary to anticipate what would be the possible or probable effect upon the masses of her people if anything should occur so to improve their condition as to put them upon a course of advancement. The aristocracy, having control of the government, entertained the well-grounded fear that, if the price of labor should be so increased that the laboring population would be able to become the owners of their own homes, and acquire the means of educating their children, there might grow up a political power sufficiently strong to popularize the government and take it out of their hands. This fear led an eminent English authority to deny the proposition "that tradesmen and traders should be left to follow their own interests in their own way," because it invited the exercise of too large a degree of personal liberty, and furnished ground for the future elevation of the masses of the people —which was greatly dreaded. The very opposite of this proposition was maintained by the leaders of the governing class, and centered in the idea that the inferior classes should not be permitted to rise high enough to become competitors of those who, as their superiors, governed the country. In commenting upon "the rapid and remarkable progress which the lower orders are making" in knowledge, the *Edinburgh Review* — the greatest organ the free trade party ever had — employed this language:

"Of all derangements that can well take place in a civilized community, one of the most embarrassing and *discreditable* would be that which arose from the working classes becoming *more intelligent* than their employers."

Finding in this "discreditable" condition of affairs only that which was to be deplored, the *Review* proceeded to demonstrate that by free trade alone could the transfer of property and political power from the rich to the poor, be prevented. With professors of the new science of political economy placed by the side of those of moral philosophy, medicine, law, languages, etc., in the colleges and schools, it saw, or thought it saw, such a brotherhood among the nations as would induce each one to rank the interests of all others by the side of its own, and so to act, even in regard to its domestic affairs, as if the whole world were tied together by common sympathy and affection in a "universal society of nations." Such a picture is admirable in contemplation, but it exists only in the imagination. We are as far removed from its reality as we are from the model republic of Plato. It was the fancy portraiture of English grandeur and greatness — of the triumph of England over all her rivals. Neither the *Edinburgh Review*, nor any other English free-trade authority, had higher conceptions of the value of political economy than those expressed by Mr. Ricardo — that England should be continued as the great manufacturing country for all the world, with her laborers held down by the combined power and capital of her aristocracy and her manufacturers; while the United States and other countries should

furnish her cheap subsistence, at the expense of their own laboring populations. The English free-trade idea then was, and yet is, that if the working people of both England and the United States can be placed in the same low condition, and permanently kept there, self-government will prove a failure, and the aristocratic form of government become perpetual. In one respect the laboring man is the same in both countries; he cannot improve his condition or take care of his family without high wages. As he does not get these in England under free trade, and can get them here under proper protection, it is manifestly to his interest that free trade should not, but that protection should prevail. One is, in every view, doubtful and precarious—the other positively certain and permanent. Abundant evidence of this is found in the condition of the two countries, under the operations of these opposing methods of raising revenue.

We have seen that the ruling class in England do not desire that the laboring population shall possess such advantages as would lead to their improvement and elevation. Hence it is that the policy of that country has been so framed as to accomplish this general purpose by leaving labor without proper reward. It was promised that one of the necessary fruits of free trade would be the increase of wages, and that this would create a new order of affairs. But it has not had that effect. Wages remain as before, almost at starvation rates, and the laborer finds subsistence as hard as ever to procure. His condition is not bettered in the least. The same impassable gulf which separates

the classes still yawns before him, and, struggle as he may, he continues to look forward to a gloomy and disheartening future. Among the most intelligent thinkers in England this problem of the future becomes more and more complicated and difficult every year. The palpable and acknowledged fact which lies at the bottom is the dissatisfied condition of the working classes—arising, in a large degree, out of the organization of the government and the consequent structure of society. Until this is changed, in some way, disturbances of every kind may be expected, and there is danger of their being carried to dangerous extremities. The seeds of dissatisfaction are undoubtedly scattered broadcast, but what harvest they may produce is given to none to foresee. We, in this country, have no just right to interfere with English domestic questions, and yet cannot refrain from entertaining a desire to see all English-speaking peoples kept steadfastly in the march of development, so that, in the contest between the new and the old forms of civilization, they may continue to maintain their position at the head of the nations. In order to assure this it may become necessary, in the course of time, for England to remove from her government the aristocratic feature which now mars so much the beauty of her institutions. If this is ever accomplished, it must be done at her own time and in her own way. But whether accomplished or not, she cannot fail to see, in the present condition of her laboring masses, that free trade has not contributed, in any material degree, to improve their condition. On the contrary, they are in a

more unsettled and precarious state than they were under the system of protection—a fact which is becoming so much more and more apparent every day, that a considerable number of the most intelligent citizens of the country are now advocating a return to that system.

England would, undoubtedly, re-introduce the principle of protection in her tariff laws, if the support given to free trade in the United States did not encourage the hope that this country would follow her example. Free trade originated in that hope, in the first instance, for reasons already explained, and the authorities of the government are reluctant to abandon it so long as the war upon our manufactures shall continue among our own people. She does everything in her power to incite and encourage that war, and finds employment for some of her best intellects in the effort to persuade us that she is unselfish—while, at the same time, the vail that is intended to conceal her real motives is perfectly transparent. With either nation the question is only one of domestic economy. It does not involve those broad humanitarian views upon which the idea of a universal brotherhood of nations is founded. Nothing of that sort exists, or will be likely ever to exist. Even where the nations are crowded so closely together as they are in Europe, each pursues those lines of policy which best promote its own distinct and separate interests. Commercial rivalry exists between all of them — England being the only nation that has ever adopted free trade. Separated as we are, from Asia upon one side, and Europe upon the other, by the two great oceans, and possessing

unlimited elements of material wealth and power — sufficient to make us the rivals of any other people in commerce and manufactures — it is the encouragement of a false hope to suppose that we can be duped into a policy, dictated by English interests adverse to our own, upon the ground of international brotherhood, which other nations do not recognize or adopt. England would not have adopted the policy of free trade if she had not been forced to realize that the rivalry of the United States had become so formidable as to threaten her commercial supremacy. It would be a strange form of delusion for the United States to surrender, voluntarily and without resistance, the innumerable advantages of their position.

CHAPTER XLVI.

ENGLISH OPINIONS OF OUR POLICY—BY FREE TRADE WE ARE EXPECTED TO UNITE IN EUROPEAN AFFAIRS—JOIN A BROTHERHOOD OF NATIONS—THIS FORBIDDEN BY OUR INTERESTS—SUCH A BROTHERHOOD IMPOSSIBLE—NATIONS ACT AS THEY ALWAYS HAVE DONE—EACH TAKES CARE OF ITSELF—OUR DUTY TO TAKE CARE OF OURSELVES—ENGLAND HAS ALWAYS DONE SO—GAVE NO SIGNS OF CHANGE UNTIL SHE FEARED OUR RIVALRY—WANTS TO REDUCE US TO INFERIORITY—OUR DUTY TO REJECT FREE TRADE AND PERSIST IN THE POLICY THAT HAS MADE US GREAT.

THE *London Post*—a paper of acknowledged influence in England—not long ago pointed out the recent intercourse of the United States with Chili, Peru and Corea, as indicating an intention of inaugurating "a foreign policy"—such as shall cause our influence to be felt in the movements and affairs of the European nations. It has gone to the extent of saying that, in its opinion, "the adoption of free trade would mean increased intercourse with the world at large, and would compel America to admit the existence of a regular foreign policy and to defend her interests in Asia and Africa against European attacks."

The *Pall Mall Gazette*—another influential English journal—indulges in the anticipation of the time when the two countries—England and the United States—will form such an alliance among the "English-speaking

peoples" as that existing "between Austria and Germany." It says: "After the federation of the British Empire there will remain for British statesmen no task comparable in importance to that of the conclusion of an alliance between Great Britain and the great Republic which has sprung from England's loins."

And a telegram from London, about the same date, announced the expectation existing there that the United States will, before long, "claim admittance into the European areopagus"—that is, sit in council with European nations to decide political questions—basing this conclusion upon the alleged facts that "blood is thicker than water," and that "the United States is England's natural ally."

These opinions are undoubtedly entertained by some, and, perhaps, a considerable portion of the English people. And when it is openly avowed that the contemplated results are expected to follow the adoption of free trade by the United States, they deserve our most careful consideration. In public, as in private affairs, it is well to know all our surroundings, so that, being forewarned, we may not unconsciously drift into danger.

One of the first lessons this country learned, in its earliest history, was the necessity of avoiding "entangling alliances" with other nations—especially those of Europe. Apart from the peculiar circumstances which contributed to our independence, our position rendered it impossible that foreign influences could contribute to our prosperity and happiness. Our Government was framed, therefore,

with special reference to its own advancement, and not that of others. We hold commercial intercourse with the world, as other peoples do, under the protection of international laws, and beyond this exercise only that influence which springs from our example of self-government. Hence, the people of the United States should be studiously careful never to forget that they owe their first and chiefest duty to themselves. If this were forgotten it does not require a prophet to foretell that we should no longer advance, but retrograde—go backward and not forward. It is our primary duty to attend to the promotion of our own "general welfare," and leave other peoples to do the same thing. This is a special constitutional obligation imposed alike upon the Government and the people.

There may be something for the philanthropist and the humanitarian to admire in the idea of a united brotherhood of nations — such a molding into perfect unity of the sympathies and interests of all peoples as shall suppress every selfish desire and inaugurate the reign of perfect disinterestedness. More than a thousand years ago there were some who cherished the belief that not many centuries would elapse before mankind would be peacefully and quietly brought into this condition. Others looked forward to a universal and harmonious empire, to be governed only in the spirit of generous and kindly emulation. But these were mere "visions of the brain," which have filled history with myths that are merely confusing and misleading, because they are unreal. The nations

continue to move on in the same old way — each devoting its energies to its own peculiar welfare. They jostle each other as they have always done, since before the birth of history. Instead of emulation prevailing among them, there is rivalry. Envy and jealousy are potent factors in all their intercourse. War continues to be, as it always was, the only remedy for real or imaginary wrongs. Preparations for it are in perpetual activity in every direction, and the inventions of new instruments of destruction keep pace with improvements in the useful arts. And even he who, prompted by the love of peace, suggests the settlement of international disputes by arbitration, is pronounced a visionary enthusiast.

If there are any signs that this condition of the world is undergoing a change, they are not visible. On the other hand, the evidences are constantly multiplying to show that, among all the foremost nations, there is no more palpable fact than that of their rivalry with each other. It is useless to deny this, and it would be folly for us to ignore it. Men do not reach eminence without proper self-respect; so nations do not become great and powerful without regarding their own interests and welfare as paramount to those of others. Philanthropists may call this selfishness, and all that sort of thing; nevertheless, as it regards any single nation, it is patriotism. And so long as this sentiment of patriotism exists, the preference of one's own country over all others will continue to be a distinguishing characteristic of statesmanship among all peoples.

The relations which England has always borne to the United States, have not, at any time, justified the belief that she would act toward us otherwise than as her own interests required. This has been made sufficiently to appear by facts already stated, which admonish us to employ the utmost vigilance in guarding our own interests, as she has always done hers. She oppressed the Colonies and drove them to revolution, when conciliatory measures might have avoided that event. Her restrictions upon our commerce were intended to be so severe as to prevent our growth and development as a nation. She made continuous and extraordinary exertions to absorb our wealth, and her cupidity in this respect was remorseless and unabating. Aided by contributions obtained from us, in various ways, she became able to build up the most extensive system of manufactures in the world, and to exact commercial tribute from all other countries, by means of protective and prohibitory tariffs, which she perseveringly maintained because they were vital to her domestic welfare. And she indicated no desire to relax her severity toward us until she realized that our growth could not be arrested — that our development would continue in spite of her — and that our manufactures, under a judicious system of protection, like her own, were rapidly driving hers from the markets of the world. As if aroused by the fact of having to contend against so formidable an adversary in the encounters of commercial enterprise, she suddenly startled us by announcing her policy of free trade, accompanied by the discovery that the two peoples — because they speak the

same language and have a common origin—ought to govern their intercourse in the kindly spirit of brotherhood and without any commercial rivalry. Seemingly, supposing us incapable of penetrating her motives, she has endeavored to impress us with the idea that, although our governments are distinct, they should adopt such reciprocal measures of commercial policy as would unite them in the common purpose of controlling the trade of the world. The product of her apparent disinterestedness is free trade, which she presents to us with one hand inviting the grasp of friendship, while the palm of the other is itching to clutch the profits expected to result to her manufacturers from the cheapened prices of our agricultural productions. This being her controlling motive, she converted the speculations of her philosophers into the new science of political economy, to persuade us that her example would induce all the nations to exist together in universal harmony and concord. She felt the approach of weakness, while we were rapidly gaining strength, and desired to reverse this order of things, so that our strength should be diminished and hers increased. Like an individual who seeks to circumvent an adversary by open professions of friendship, she hoped to draw us within the circle of her influence, in order to regain the commercial supremacy which she plainly saw passing from herself to us. Her course was characterized by that profound sagacity which has distinguished her in every stage of her history. But as she has been, in all this, acting in her own behalf,

not ours, we can have no ground of national complaint against her.

But while we may not find fault with England for any exhibition of her sagacity as a nation, or envy her on account of her power and greatness, we, nevertheless, cannot evade the responsibility of deciding for ourselves, and on our own account, how far we may venture to acquiesce in measures of her dictation, in view of the fact that they had their birth in her desire to destroy our power as a commercial rival. Whatsoever shall be our decision it should be reached with the calm deliberation which becomes a nation like ours ; and with due consideration of the fact that our own best interests and, in some measure, the welfare of mankind, depend upon our continued advancement and the successful administration of our affairs. We owe nothing to other peoples, except in that reciprocal good-feeling and fellowship which should mark our intercourse with them. None of them can do us harm so long as we remain true to ourselves. We are in no danger from any probable combination of adversary powers. But we represent that form of civil institutions for which the world had long struggled before our independence was achieved, and we cannot take a single step backward without marring their beauty and impairing their strength. If we shall allow ourselves to be inveigled by foreign powers to the extent of permitting them to influence our domestic policy, or of becoming mixed up with their affairs, under the pretext of a community of interests between them and us, our example, which has

thus far been beneficial to the world, would be likely to prove no longer worthy of imitation.

Besides the foregoing extracts from two of the leading newspapers in England, there is abundant other evidence to show that the people of that country know but little of us or of our institutions. Even the most intelligent among them are ignorant of the prominent facts and incidents in our history, and nothing excites their surprise more than our growth and development within the present century. It is not very surprising, therefore, that an impression should exist there that our relations with Chili, Peru and Corea, indicate an intention of inaugurating a foreign policy, in the European sense; and more especially is it not so when it is interpreted to mean that we are preparing to do what England so much desires—that is, to second her effort to establish a brotherhood of nations by adopting the policy of free trade. They misunderstand us. We are too far removed from other nations to be envious or jealous of them. We have no desire to interfere with their affairs. Our relations with all of them are peaceful, and are not likely to be disturbed by anything that we shall do. England is differently situated, and is not familiar with our wants or competent to pass judgment upon our policy. She is surrounded by antagonisms. Her complications are innumerable, because they spring from the jealousies of other strong powers, who watch her with ceaseless vigilance. When her foreign relations are involved her first thought is of war. Her "*jingo*" policy is the outgrowth of her surroundings. And, therefore, it

is hard for her to understand why other countries are not influenced by like motives with herself. Hence, her mistake in supposing that we are likely to fall into her embrace, either through free trade or any other instrumentality she may employ.

During the war between Chili and Peru our Government endeavored to act the part of a friendly mediator, with a view to the peaceful adjustment of their affairs. Both of these countries are American republics, professedly desiring to perpetuate the principle of self-government. A war between them which should result in the destruction of either might weaken this sentiment upon the American continent — possibly to the extent of inviting the revival of the "Holy Alliance" among the monarchical nations of Europe, for the final subjugation of the Spanish-American States. And it was impossible, in the nature of things, that the United States could contemplate the happening of such an event, even by possibility, without the deepest concern. Hence, without any purpose to interfere with the affairs of either State, but merely to counsel the peaceful adjustment of all disagreements, the United States ventured upon a friendly intervention between them — nothing more. Nor could any other meaning be rightfully assigned to our intercourse and negotiations with Corea than a simple desire, on our part, to convince her of the advantages to be derived by herself and other nations from opening her ports to the commercial world. European peoples are not fully able to understand how a nation can become so isolated as to avoid foreign complications. With

England, interference with the affairs of a foreign nation and its conquest, are very nearly of equivalent meaning;—and whether that interference shall be brought about by war or through the instrumentalities which are expected to be created by free trade, it means almost the same thing. Wheresoever she plants her feet, as in India—or desires to enlarge her commerce, as in China, or transports her flag, as in Egypt—she is impelled by the unchanging purpose to recognize no limit to her dominion than what her own ambition assigns. It is not wonderful, then, that leading English minds should see in the peaceful means we employ to extend our commercial intercourse, the signs of an aggressive foreign policy, and that they should, in consequence, flatter themselves with the hope that, through the instrumentality of free trade, we may be inveigled into the net so cunningly woven for us, and allow the stream of our prosperity to flow towards them and away from ourselves. They are encouraged in this by such organizations as the "*Cobden Club*" which, on account of the ability and respectability of its members, is supposed to reflect the public sentiment, whereas, in point of fact, all the opinions promulgated by it are English, not American.

National brotherhood, as the result of free trade or from any other cause, is a delusion. What have we to do with other nations, or they with us, beyond those relations which arise out of friendly commercial intercourse? We sell them our products and buy theirs—that is all. This intercourse is carried on by individuals, not by governments. We regulate foreign commerce—nothing more.

If we export our products and sell them to the Patagonians of South America, or to the negroes of Africa, or to the Afghans in Asia, it is commerce in precisely the same sense as when we sell to or buy from England. It is this intercourse alone which the nations regulate between their individual citizens, each according to the demands and exigencies of its own affairs. Whensoever anything beyond this has been attempted by the strong nations, it has led to war; and when between strong and weak nations, to the overthrow and absorption of the latter. England and France, representing a combination of nations, undertook to superintend the financial affairs of Egypt, to secure the payment of money to their citizens. But when France wisely declined to proceed to extremities and left England to herself, she demonstrated her great power by bombarding an almost defenseless city, as well as the weakness of misdirected ambition by inciting vast hordes of fanatical Arabs to revolt, at the sacrifice of many millions of dollars and the lives of some of her best and bravest soldiers. Instances akin to this have been of frequent occurrence in the checkered history of European affairs—affording to the strong powers opportunities to oppress the weak—of which they have availed themselves without any evidence of remorse. But a little while ago, Russia, after stealthily seizing upon Turkestan, advanced upon Herat, on the road to India. France and Germany are confronting each other with large armies. Every few days we hear of the possible breaking out of war. Open hostilities have but recently transpired between Bulgaria and Servia, and the

great nations are looking on with greedy expectation of benefit to themselves—armed to the teeth and calmly awaiting the day when all Europe will tremble beneath the tread of their vast armies. Is this a time for the people of the United States to agitate themselves about a "universal society of nations" which is promised through the instrumentality of free trade? The duty of attending to their own affairs is sufficient to tax all their energies; and if they shall so employ them as to protect their various industries and thus cause additional development to the natural resources they possess, they will assure to themselves a destiny far preferable to any that could possibly arise out of "entangling alliances" with foreign peoples.

Washington conjured us to keep "constantly awake" our jealousy "against the insidious wiles of foreign influence," realizing, as he did, that "history and experience prove that foreign influence is one of the most baneful foes of republican government." He considered "our detached and distant situation" as inviting us into fields of domestic enterprise and industry peculiarly our own; and, picturing us in his mind as possessing, within ourselves, the means of becoming one of the leading and powerful nations of the earth, he asked these pertinent and suggestive questions: "Why forego the advantages of so peculiar a position? Why quit our own to stand on foreign soil? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?" The lapse of time has not caused these questions to lose

any of their significance or force. As it was apparent to his clear and thoughtful mind "that it is folly in one nation to look for disinterested favors from another," and that "there can be no greater error than to expect or calculate upon real favors from nation to nation," so it should be alike apparent to us now, as we observe the jealousies and struggles among the nations of the present day, that there is not one of them with whom we could form alliance without placing our best interests at fearful hazard. We could no more mix ourselves up with European affairs and escape unharmed, than a man can plunge his hand into a heated furnace without burning.

We must not close our eyes to the fact that England did not relax the severity of her measures toward us until she witnessed our marvelous growth and became assured of our increasing greatness. And now, when some of her leading minds seem fascinated with the idea that, by free trade, we should be led into such foreign policy as would end in some sort of alliance with her, we cannot avoid realizing that we are brought directly in the presence of the dangers to which Washington admonished us we should be "constantly awake." Free trade means the erection of commercial barriers which, with all our energies and vast resources, we cannot overleap. Hitherto, under the principle of protection, we have progressed in the march of material wealth and prosperity, until new fields of enterprise are opened almost every day, and new inventions and forms of machinery are constantly required to keep pace with our progressive development. But if, from any false

conceptions of duty towards ourselves or others, we should be persuaded to abandon this great principle and leave our natural resources to waste before our eyes, we should not long escape the humiliating condition of seeing our barns crowded with surplus productions, rotting for the want of markets; our manufacturing establishments sinking into decay; our laboring population without employment; our commerce reduced to comparatively nothing; and a nation which has thus far attracted the admiration and excited the wonder of the world, slowly, perhaps, but surely sinking into inferiority. And, to add to our humiliation, we should then see England, from whom we have hitherto received nothing but hostility, reaping rewards produced by our own folly; replenishing her coffers with our wealth; increasing her commerce at our expense; and removing, with our assistance, every impediment now standing in the way of her commercial supremacy.

APPENDIX.

Taxes and Duties—The Tariff and Internal Revenue.*

THE RATES OF DUTY FIXED BY THE TARIFF ACT OF 1883.

A tax is the assessment of a sum of money on persons or property to defray the expenses of government. Taxation on property is either "direct" or "indirect." A *direct* tax is one which is levied from the very persons who it is intended should pay it. An *indirect* tax is one which is demanded from one person in the expectation that he will indemnify himself at the expense of another—as customs duties, for instance. In some States all citizens above 21 years of age are required to pay a personal tax, known as *capitation* or *poll tax*. The expenses of towns, cities, counties and States are paid by a direct tax upon the property or polls of the same, the methods of assessment differing in the several States. In some States the whole tax is paid by the owners of property; in others a certain percentage of the whole tax is assessed upon the polls, while in some the poll tax is a fixed amount for each citizen.

The expenses of the United States Federal Government are paid by the *internal revenue* and the *duties on imports*. The internal revenue is the tax on tobacco, cigars, etc., and distilled spirits and fermented liquors.

Fixed property, such as land, houses, etc., is called *real estate*. Movable property, such as merchandise, furniture, money, stocks, bonds, mortgages, etc., is called *personal property*.

For the support of the government, and in order to protect home industries, certain taxes are imposed on imported merchandise, and these taxes are called *duties* or *customs*.

The waters and shores of the United States are divided into collection districts, in each of which there is one port of entry and one or more ports of delivery. All ports of entry are also ports of delivery.

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All cargoes chargeable with duties must be entered and the duties paid, or secured to be paid, at the port of entry, before permission is given to discharge the same at the port of delivery.

The principal officer of every district is the collector, who is assisted by deputy collectors, surveyors, appraisers, weighers, gaugers, inspectors, etc. The duties of the above vary in the several collection districts and ports. There is also in the leading ports of entry a "naval officer," whose department is a check upon that of the collector.

An importer desiring a permit to land merchandise presents his invoice, with the consular certificate, bill of lading, and a formal entry attached, to the entry clerk at the custom house, and makes the necessary oath before the collector or his deputy. The duties, if any, are estimated in the departments of the collector and the naval officer. The amount of the estimated duties having been paid, or secured by a bond, the collector, together with the naval officer, where there is one, grants a permit to land the merchandise. It is the custom of custom-house brokers and many merchants to calculate the duties and enter the same on the entry. The permit is presented to the inspector in charge of the vessel, who allows the merchandise to be landed. The collector indicates on the permit by numbers what packages shall be sent to the public store for examination. When the merchandise is examined by the appraiser, he enters on the invoice or manifest the rate of duty to be collected. The invoice and the accompanying papers are then sent to liquidators in both the collector's and naval officer's departments for adjustment. The liquidators check the calculations on the entry, or again calculate the duty if the appraiser has changed the rate or the dutiable value, or if the returns of the weigher or gauger differ from the weight or measurement in the invoice. The amount of duty to be refunded or collected is marked on the entry. If the difference between the duty as estimated and as liquidated is less than $1, it is disregarded, and the liquidator approves the original estimate.

A custom-house broker is a person who makes entries, secures permits, and transacts other business at custom houses for merchants. The greater part of the business at the New York Custom House is done through brokers.

DUTIES.

Duties are of three kinds, *ad valorem*, *specific* and *combined*.

An *ad valorem duty* is a tax assessed at a certain per cent on the dutiable value of the merchandise. The dutiable value of merchandise is its market value at the port of export, but not less than its invoiced cost,

commission added, whether paid or not. It is usually the original cost plus all charges, excepting the consul's fee, to the vessel on which the shipment is made. There is no duty on the freight or transportation from the port of export.

A *specific duty* is a tax assessed at a certain sum per ton, pound, foot, yard, gallon, or other weight or measure, without reference to the value. Before specific duties are calculated, allowances are made for tare, leakage and breakage.

In reducing foreign money to United States money for the purpose of calculating duties, if the cents of the result are less than 50, they are rejected; if more than 50, $1 is added to the dollars.

The United States custom-house ton contains 2,240 pounds, and the hundredweight 112 pounds.

Combined duty.—On certain goods there is both a specific and an ad valorem duty, and this is termed a "combined duty."

BONDED WAREHOUSES—DRAWBACK—FREE LIST.

A *bonded warehouse* is a place for the storage of merchandise on which the duties or taxes have not been paid. If an importer does not desire to place his goods at once in the market, or anticipates exporting the same, by giving a bond for the payment of the duties and making the entry in the proper form, he may have the merchandise stored at his own risk in a bonded warehouse, and thus defer the payment of the duties.

Merchandise may be withdrawn from a bonded warehouse for exportation to Canada, or other foreign country, without the payment of the duty on the same.

Drawback.—When distilled spirits, fermented liquors, medicines and perfumery, upon which an internal revenue tax has been paid, and foreign merchandise upon which an import duty has been paid, are exported, the tax or duty upon the same is refunded. Such return of the tax or duty is called a *drawback.*

The *free list* is a list of articles which are exempt from duty. In making entries of free goods, the value as given in foreign money must be reduced to United States money, permits must be obtained to land the goods, and certain packages are sent to the public store for examination.

THE TARIFF.

THE TARIFF—RATES OF DUTY FIXED BY THE TARIFF ACT OF 1883

Schedule A—Chemical Products.

Glue	20 p. c.
Beeswax	20 p. c.
Gelatine and all similar prepa'tions.	30 p. c.
Glycerine, crude, brown or yellow, of 1 and 25-100ths	2 c. lb.
Glycerine, refined	5 c. lb.
Fish-glue or isinglass	25 p. c.
Phosphorous	10 c. lb.
Soap, hard and soft, and castile soap.	20 p. c.
Fancy perfumed and toilet soap	15 c. lb.
Sponges	20 p. c.
Sumac, ground	3-10 c. lb.
Sumac, extract	20 p. c.
Acid, acetic, acetous or pyroligneous acid, according to gravity	2 c. lb. / 10 c. lb.
Acid, citric	10 c. lb.
Acid, tartaric	10 c. lb.
Camphor, refined	5 c. lb.
Castor beans, or seeds	50 c. bu.
Castor oil	80 c. gal.
Cream of tartar	6 c. lb.
Dextrine, burnt starch, or Brit. gum.	1 c. lb.
Extract of hemlock	20 p. c.
Glucose, or grape sugar	20 p. c.
Indigo, extracts of, and carmined	10 p. c.
Iodine, resublimed	40 c. lb.
Licorice, paste or roll	7½ c. lb.
Licorice, juice	3 c. lb.
Oil of bay-leaves, essential	$2.50 lb.
Oil, croton	50 c. lb.
Oil, flaxseed or linseed, & cot'nseed.	25 c. gal.
Hempseed oil, and rapeseed oil	10 c. gal.
Soda, potassa, tart'rate or roch. salt.	3 c. lb.
Strychnia and salts of it	50 c. oz.
Tartars, partly refined	4 c. lb.
Alumina, alum, patent alum, etc	60 c. 100 lbs.
Ammonia, anhydrous	20 p. c.
Ammonia, aqua	20 p. c.
Ammonia, muriate of	10 p. c.
Ammonia, carbonate of	20 p. c.
Ammonia, sulphate of	20 p. c.
All imitations of natural mineral waters, and artificial min'l waters.	30 p. c.
Asbestos, manufactured	25 p. c.
Baryta, sulphate of, unmanufactured	10 p. c.
Baryta, sulphate of, manufactured	¼ c. lb.
Refined borax	5 c. lb.
Pure boracic acid	5 c. lb.
Commercial	4 c. lb.
Borate of lime, and crude borax	3 c. lb.
Cement	20 p. c.
Whiting and Paris white, dry	½ c. lb.
Ground in oil, or putty	1 c. lb.
Prep'd chalk, precipt'd chalk, etc	20 p. c.
Chromic acid	15 p. c.
Chromate of potash	3 c. lb.
Bi-chromate of potash	3 c. lb.
Cobalt, oxide of	20 p. c.
Copper, sulph'te of, or blue vitriol	3 c. lb.
Iron, sulphate of, or copperas	0.3 c. lb.
Acetate of lead, brown	4 c. lb.
Acetate of lead, white	6 c. lb.
White lead, dry or in pulp	3 c. lb.
When ground or mixed in oil	3 c. lb.
Litharge	3 c. lb.
Orange mineral and red lead	3 c. lb.
Nitrate of lead	3 c. lb.
Magnesia, medicinal, carbonate of	5 c. lb.
Magnesia, calcined	10 c. lb.
Magnesia, sulphate of	½ c. lb.

POTASH.

Crude, carbonate, etc	20 p. c.
Chlorate of	3 c. lb.
Hydriodate, iodide and iodate of	50 c. lb.
Prussiate of, red	10 c. lb.
Prussiate of, yellow	5 c. lb.
Nitrate of, or saltpeter, crude	1 c. lb.
Nitrate of, or refined saltpeter	1½ c. lb.
Sulphate of	20 p. c.

SODA.

Soda-ash	¼ c. lb.
Soda, sal or soda crystals	¼ c. lb.
Bi-carbonate of or sup.-carb of, etc	1¼ c. lb.
Hydrate or caustic	1 c. lb.
Sulphate, known as salt cake, etc	20 p. c.
Soda, silicate of, etc	½ c. lb.

SULPHUR.

Refined, in rolls	$10 p. ton.
Sublimed or flowers of	$20 p. ton.
Wood-tar	10 p. c.
Coal-tar, crude	10 p. c.
Coal-tar, products of	20 p. c.
Coal-tar colors or dyes	35 p. c.
Prep's of coal-tar, not colors or dye.	20 p. c.
Logwood and other dye woods	10 p. c.
Ultramarine	5 c. lb.
Turpentine, spirits of	20 c. gal.
Colors and paints	25 p. c.
Bone black, etc	25 p. c.
Ocher, umber, sienna, dry	½ c. lb.
When ground in oil	1¼ c. lb.
Zinc, oxide of, when dry	1¼ c. lb.
Zinc, oxide of, when ground in oil	1¾ c. lb.
Essential oils, expressed oils, etc	25 p. c.

PREPARATIONS.

Known as cerates, conserves, etc	25 p. c.
Barks, berries, balsams, etc	10 p. c.
Non-dut'e c'demins., a'v'd in val etc.	10 p. c.
Ground or powdered spices	5 c. lb.
E'rth or clays, un'r'ght or unma'f'd.	$1.50 p. ton
Earths or clays, wrought or man'f'd.	$3 p. ton.
Proprietary preparations	50 p. c.

ALCOHOLIC PREPARATIONS.

Alcoholic perfumery, cologne water, etc	$2 p. gal. / 50 p. c.
Distilled spirits, containing 50 p. c. anhydrous alcohol	$1 p. gal.
Alcoh. con'g 94 p. c. anhyd. alcohol.	$2 p. gal.
Alcoholic compounds, other	$2 p. gal. / 25 p. c.
Chloroform	50 c. lb.
Collod'n and all comp's of pyroxy'ne	50 c. lb.
Rolled or in sheet	60 c. lb.
In finished or partly finished articles	60 c. lb / 25 p. c.
Ether, sulphuric	50 c. lb.
Hoffman's anodyne	30 c. lb.
Iodoform	$2 p. lb.
Acid, tannic and tannin	$1 p. lb.
Ether, nitrous, spirits of	30 c. lb.
Santonine	$3 p. lb.
Amylic alcohol, or fusel oil	10 p. c.
Oil of cognac, or oenantic ether	$4 p. oz.
Fruit ethers, oils or essences	$2.50 p. lb.

Oil or essence of rum..... 50 c. oz.
Ethers of all kinds ..... $1 p. lb.
Coloring for brandy..... 50 p. c.
Prep's of which alcoh. is comp't part. 50 c. lb.
Varnishes of all kinds ..... 40 p. c.
Spirit varnishes..... $1.32 gal. + additio'l.
Opium, crude, containing 9 p. c. and over of morphia..... $1 p. lb.
Opium cont'ng less 9 p. c. morphia.. prohb'td.
Prep. for smok'g and all other prep. $10 p. lb.
Aqueous ext. of, for medicinal uses.. 40 p. c.
Morp'a or morp'ne & all salts the'of. $1 p. oz.

Schedule B—Earthenware and Glassware.

Brown earth'ware, not ornamented.. 25 p. c.
Chi'a, p'rcel'n, par'an, bisq'e, e'th'n, stone and crockeryware, painted, print'd, gild'd, otherwise decor'd. 60 p. c.
China, porcelain, parian and bisqueware, white, not decorated ..... 55 p. c.
Other earth., stone, cro'k'ware, etc. 55 p. c.
Stoneware, above capac'y of 10 gal. 20 p. c.
Encaustic tiles..... 35 p. c.
Brick, fire-brick, ro'ing, pa'ing, tile. 20 p. c.
Slates, slate-pencils, etc..... 30 p. c.
Roofing-slates . ..... 25 p. c.
Green and colored glass bottles, etc., not cut, engrav'd or painted. 1 c. lb.
If filled..... 30 p. c. in ad. to duty on c'nt'nts.
Flint and lime glass bot's, vials, etc. 40 p. c.
If filled ..... 40 p. c. in ad. to duty on c'nt'nts.
Articles of glass, cut, engraved, etc. 45 p. c.
Cylinder and crown glass, polished, not exceeding 10x15 in. sq ..... 2½ c. sq. ft.
Not exceeding 16x24 in. sq..... 4 c. sq. ft.
Not exceeding 24x30 in. sq..... 6 c. sq. ft.
Not exceeding 24x60 in. sq..... 20 c. sq. ft.
Above that..... 40 c. sq. ft.
Unpol. cyl'der, crown and com. wind'w glass, not exc'd'g 10x15 in. sq. 1⅜ c. lb.
Not exceeding 16x24 in. sq..... 1⅞ c. lb.
Not exceeding 24x30 in. sq..... 2⅜ c. lb.
Above that..... 2⅞ c. lb.
Fluted, rolled or rough plate-glass not exceeding 10x15 in. sq..... 75 c. 100 sq. ft.
Not exceeding 16x24 in. sq..... 1 c. sq. ft.
Not exceeding 24x30 in. sq..... 1½c. sq. ft.
Above that..... 2 c. sq. ft.
Cast polished plate-glass, unsilvered not exceeding 10x15 in. sq..... 3 c. sq. ft.
Not exceeding 16x24 in. sq..... 5 c. sq. ft.
Not exceeding 24x30 in. sq..... 8 c. sq. ft.
Not exceeding 24x60 in. sq..... 25 c. sq. ft.
Above that..... 50 c. sq. ft.
Cast pol'd plate-glass, silv. or look'g glass pl't's, not exc'g 10x15 in. sq. 4 c. sq. ft.
Not exceeding 16x24 in. sq..... 6 c. sq. ft.
Not exceeding 24x30 in. sq..... 10 c. sq. ft.
Not exceeding 24x60 in. sq..... 35 c. sq. ft.
Above that..... 60 c. sq. ft.
Looking-glass plates or plate-glass, silvered, when framed..... 30 p. c. in addition.
Porcelain and Bohemian glass, etc.. 45 p. c.

Schedule C—Metals.

Iron ore, including manganiferous iron ore ..... 75 c. ton.
Sulphur ore, as pyrites, containing not more than 3½ p. c. of copper.. 75 c. ton.
Ore cont'g more than 2. p. c. copper. In ad. 2½c. lb. for cop.
Iron r'way bars, over 25 lbs. to yd.. 0.7 c. lb.
Iron in pigs, iron kentledge, spiegeleisen, wrought and cast scrap-iron and scrap-steel ..... 0.3 c. lb.
Steel railway bars, and railway-bars made in part of steel, over 25 lbs.. $17 per ton.
Bar-iron, rolled or hammered, comprising flats not less than 1 inch wide, nor less than ⅜ in. thick... 0.8 c. lb.
Round iron not less than ¾ in. in diameter, and square iron not less than ¾ inch square ..... 1 c. lb.
Flats less than 1 inch wide or less than ⅜ inch thick; round iron less than ¾ inch and not less than 7-16 inch in diam., and square iron less than ¾ of an inch square..... 1.10 c. lb.
All iron slabs, etc..... 35 p. c.
Provided further, iron bars, blooms, billets, or sizes or shapes of any kind, in the man'f. of which charcoal is used as fuel..... $22 p. ton.
Iron or steel tee rails, weighing not over 25 lbs. to the yard..... 0.9 c. lb.
Iron or steel flat rails, punched . ... 0.8 c. lb.
Round iron, in coils or rods, less than 7-16 inch in diam., and bars or shapes of rolled iron not specially provided ..... 1.2 c. lb.
Boiler or plate iron, sheared or unsheared, skelp-iron, sheared or rolled in grooves..... 1¼ c. lb.
Sheet iron, com. or black, thinner than 1½ inch and not thinner than No. 20 wire gauge..... 1 1-16 c. lb.
Thinner than No. 20 wire gauge and not thinner than No. 25 ..... 1.2 c. lb.
Thinner than No. 25 wire gauge and not thinner than No. 29 ..... 1.5 c. lb.
Thinner than No. 29 wire gauge, and all iron commercially known as common or black taggers' iron whether put up in b'x's, b'dles, etc. 30 p. c.
On all such iron and steel sheets or plates, excepting what are known commercially as tin plates, terne-plates and taggers' tin, when gal-v'z'd or co't'd with zinc, spelter or other metals, or any alloy of them ¼ c. lb. in ad.
Polished, plan's'ed, or glanc'd sheet-iron or sheet-steel..... 2½ c. lb.
Plate, sheet or taggers' iron other than the polished, planished or glanc'd herein provided for, which has been pickled or cleaned by acid or by any other material or process, and which is cold rolled.. ¼ c. lb. ad.
Iron or steel sheets, plates, taggers' iron, coated with tin or lead, or a mixture of which these metals is a component part, by the dripping or other process, commercially known as tin plates, terne plates, and taggers' tin..... 1 c. lb.
Cor'ga'd or cr'ped sheet iron or steel 1.4 c. lb.
Hoop band, scroll or other iron, 8 inches or less in width, and not thinner than No. 10 wire gauge... 1 c. lb.
Thinner than No. 10 wire gauge and not thinner than No. 20..... 1.2 c. lb.
Thinner than No. 20 wire gauge.... 1.4 c. lb.
Articles not specially provided for, whether wholly or partly manufactured, made from sheet, plate, hoop, band or scroll-iron herein provided for, or of which such sheet, plate, hoop, band or scroll-iron shall be material of chief value..... ¼ c. lb. ad.

Iron and steel cotton-ties or hoops for bailing purposes not thinner than No. 20 wire gauge ..... 35 p. c.
Cast-iron pipe of every description.. 1 c. lb.
Cast-iron ves'l, etc., not sp'c'ly prov. 1¼ c. lb.
Cut nails of iron or steel..... 1¼ c. lb.
Cut tacks or brads, not exceeding 16 oz. to the 1,000 ..... 2½ c. p. M.
Exceeding 16 oz. to the 1,000 ..... 3 c. lb.
Iron or steel railway fish-plates ..... 1¼ c. lb.
Mal'ble iron cast'g, not spec. en'm'd 2 c. lb.
Wr't iron or steel sp'k's & horse sh's 2 c. lb.
Anvil, etc., w'gh'g ea. 25 lb. or more 2 c. lb.
Iron or steel rivets, bolts, etc..... 2½ c. lb.
Iron or steel blacks'hs' ham's, etc... 2½ c. lb.
Iron or steel axles, p'r'ts thereof, etc. 2½ c. lb.
Forgings of iron and steel..... 2½ c. lb.
Horseshoe-nails, etc., wrought-iron or steel..... 4 c. lb.
Boiler tubes, wrought-iron or steel .. 3 c. lb.
Other wrought-iron or steel tubes ... 2¼ c. lb.
Chains, iron or steel, not less than ¾ of an inch in diamater..... 1¾ c. lb.
Less than ¾ and not less than ⅜ in. 2 c. lb.
Less than ⅜ of an inch..... 2½ c. lb.
Cross-cut saws..... 8 c. lin. ft.
Mill, pit and drag saws, 9 in. or less.. 10 c. lin. ft.
Over 9 inches..... 15 c. lin. ft.
Circular saws..... .. 30 p. c.
Hand, back and other saws..... 40 p. c.
Files, rasps, floats 4 in. long & under. 35 c. p. doz.
Over 4 in. and under 9 in..... 75 c. p. doz.
Nine in. and under 14 in..... $1.50 doz.
Fourteen in. and over ..... $2.50 doz.
Steel and cogged ingots, blooms, slabs, not spec'ly prov'd, valued at 4 c. per lb. or less..... 45 p. c.
Above 4 c. lb. and not above 7 c. lb. 2 c. lb.
Above 7 c. and not above 10 c. lb... 2¾ c. lb.
Above 10 c. per lb..... 3¼ c. lb.
Iron or steel bars, rods, strips, or steel sheets, etc., cold-rolled, cold-ham'd, or pol'd in any way in addition to the ordinary process of hot rolling or hammering..... steel r't's & ¼ c. lb. additional.
On steel circular saw plates..... 1 c. lb. ad.
Iron or steel beams, girders, joists .. 1¼ c. lb.
Steel wheels and steel-tired wheels for railway purp'es, wh'ly or p'rtly fin'd, and iron or steel loc'tive, car and other railway tires, or parts thereof, wholly or partly manuf'd. 2½ c. lb.
Iron or steel ingots, etc., for same... 2 c. lb.
Iron or steel wire rods, not lighter than No. 5 wire gauge, valued at 3½ c. or less per lb..... 0.6 c. lb.
Iron or steel, flat with longitudinal ribs for fencing..... 0.6 c. lb.
Screws 2 inches long or over..... 6 c. lb.
One inch and under 2 inches..... 8 c. lb.
Over ½ inch and under 1 inch ..... 10 c. lb.
Half an inch long and less..... 12 c. lb.
Iron and steel wire, under No. 5 and not under No. 10 wire gauge..... 1½ c. lb.
Under No. 10 and not under No. 16. 2 c. lb.
Under No. 16 and not under No. 26. 2½ c. lb.
Under No. 26..... 3 c. lb.
Iron or steel wire covered with cotton, silk or other mat'al, and wire k'wn as c'n'ine, co's't and hat wire ing rates. 4 c. lb. ad. to foregoing.
Iron or steel wire cloths and net'gs, made in meshes of any form ..... 2 c. lb. ad. to ir'n or steel wire of same gauge.
Galvanized iron or steel wire (except fence wire) ..... ½ c. lb. ad.
Iron rope and wire strand ..... 1 c. lb. ad.
Steel wire rope and wire strand..... 2 c. lb. ad.
Steel, not specially provided for.... 45 p. c.
Arg'tine, al'ata or Ger. silv. unm'd 25 p. c.
Copper, imported in ores..... 2½ c. lb. of fine copper.
Coarse copper and copper cement.. 3½ c. lb.
Old copper..... 3 c. lb.
Copper in plates, bars, ingots, etc... 4 c. lb.
In rolled plates, sheets, rods, etc., not specially provided for ..... 35 p. c.
Brass, in bars or pig, old brass, etc.. 1½ c. lb.
Lead ore and lead dross..... 1½ c. lb.
Lead in pigs, bars, etc..... ..... 2 c. lb.
Lead in sheets, pipes or shot..... 3 c. lb.
Nickel in ore or matte..... 15 c. lb.
Nickel, nickel oxide ..... 15 c. lb.
Zinc, spelter or tutenegue, in blocks or pigs ..... 1½ c. lb.
Zinc, spelter or tutenegue, in sheets 2½ c. lb.
Sheathing or yellow metal ..... 35 p. c.
Antimony, as regulus or metal..... 10 p. c.
Bronze powder ..... 15 p. c.
Cutlery, not specially provided for.. 35 p. c.
Dutch or bronze metal, in leaf..... 10 p. c.
St'el pl't's, engv'd, stereo. pl't's, etc. 25 p. c.
Gold leaf..... $1.50 pg. of 500 leaves.
Hollow-ware, coated, glaz'd or tin'd 3 c. lb.
Muskets, rifles and other fire-arms, not specially provided for ..... 25 p. c.
All sporting, breech-loading shot-guns and pistols..... 35 p. c.
Forg'd shot-gun barrels, rough-bor'd 10 p. c.
Needles for knitting or sewing machines .... 35 p. c.
Needles, sewing, darning, knitting, and all not provided for ..... 25 p. c.
Pen-knives, pocket-knives of all kinds, and razors ..... 50 p. c.
Swords, sword-blades and side-arms 35 p. c.
Pens, metallic..... 12 c. gross.
Pen-holder tips and pen-holders.... 30 p. c.
Pins, solid-headed or other..... 30 p. c.
Britannia-ware and plated and gilt articles and wares..... 35 p. c.
Quicksilver..... 10 p. c.
Silver leaf..... 75 c. pkge. of 500 lvs.
Type metal..... ..... 20 p. c.
Chromate of iron or chromic ore.... 15 p. c.
Miner'l substances in a crude state and met'ls unwr'g't, not pr'v'd for 20 p. c.
Manuf'res, not pr'vd for, composed wholly or in part of iron, steel, copper, lead, nickel, pewter, tin, zinc, gold, silver, platinum, or any other metal, and whether partly or wholly manufactured..... ..... 45 p. c.

Schedule D—Wood and Wooden Wares.

Timber, hewn and sawed..... 20 p. c.
Timb'r, sq'ed or sided, not pr'v'd for 1 c. cb. ft.
Saw'd b'rds, etc., of he'lock, white-wood, sycamore and basswood.... $1 p. M. ft.
All other sawed lumber ..... $2 p. M. ft.
Lumber of any sort, planed or tin'd.. 50 c. M. ft. ad.
Pl'n'd on one side, tong'd and gr'v'd $1 p. M. ft.
Planed on two sides, tongued and grooved..... $1.50 M. ft.
Hubs for wheels, etc., rough-hewn or sawed only..... 20 p. c.
Staves of wood of all kinds ..... 10 p. c.
Pickets and palings..... 20 p. c.
Laths .... 15 c. M. pcs.
Shingles ..... 35 c. p. M.
Pine clapboards ..... $2 p. M.
Spruce clapboards ..... $1.50 p. M.

House or cabinet furniture, in piece or rough and not finished..... 30 p. c.
Cabinet ware and house furniture, finished ..... 35 p. c.
Casks and barrels, etc., empty, not provided for ..... 30 p. c.
Man'f's of c'd'rw'd, grand'la, ebn'y, mahogany, rose and satin woods . 35 p. c.
Man'f's of wood not provided for .. 35 p. c.
Wood, unman'f'd, not provided for . 20 p. c.

Schedule E—Sugar.

Sugars, not above No. 13 D. S. in color, tank, bot'ms, syrups of cane, or beet juice, melada, conc'trated melada, concrete and conc'trated molasses, testing by the polariscope not above 75°..... 1.4 c. lb.
For every addi'al ° or fract'n of a ° shown by the polariscopic test.... .04 c. lb. for ev'ry ad'l °.
Sugar above No. 13 and not above No. 16 D. S ..... 2.75 c. lb.
Sugar above No. 16 and not above No. 20 D. S..... 3 c. lb.
Sugars above No. 20 D. S..... 3.50 c. lb.
Molasses testing not above 56 ° by the polariscope ..... 4 c. gal.
Molasses above 56 °..... 8 c. gal.
Sugar candy, not colored ..... 5 c. lb.
All other confect'ry not provided for, valued at 30 c. p. lb. or less..... 10 c. lb.
Confect'ery val'd above 30 c. p. lb. or sold by box or package..... 50 p. c.

Schedule F—Tobacco.

Cigars, cigarettes and cheroots of all kinds ..... $2.50 lb. 25 p. c.
Leaf tobacco, of which 85 p. c. is of the requi'te size and of the necessary fineness of texture for wrappers and of which more than 100 leaves are required to weigh a pound, if not stemmed ..... 75 c. lb.
If stemmed..... $1 lb.
Other tobacco in leaf, unmanufactured and not stemmed..... ..... 35 c. lb.
Tobacco stems..... 15 c. lb.
Tobacco, manuf'd, of all descript's, and stemmed, not provided for.... 40 c. lb.
Snuff and snuff-flour ..... 50 c. lb.
Tobacco, unman'f', not provi'd for. 30 p. c.

Schedule G—Provisions.

Animals, live ..... 20 p. c.
Beef and pork ..... 1 c. lb.
Hams and bacon..... 2 c. lb.
Meat, extract of..... 20 p. c
Cheese ..... 4 c. lb.
Butter and substitutes thereof..... 4 c. lb.
Lard ..... 2 c. lb.
Wheat ..... 20 c. bush.
Rye and barley..... 10 c. bush.
Barley, pearled, patent or hulled.... ½ c. lb.
Barley malt, per bush., 34 lbs. ..... 20 c. bush.
Indian corn or maize..... 10 c. bush.
Oats ..... 10 c. bush.
Corn-meal ..... 10 c. bush.
Oat-meal ..... ½ c. lb.
Rye-flour..... ½ c. lb.
Wheat-flour ..... 20 p. c.
Potato or corn starch..... 2 c. lb.
Rice starch ..... 2½ c. lb.
Other starch..... 2½ c. lb.
Rice, cleaned..... 2¼ c. lb.
Uncleaned..... 1½ c. lb.
Paddy ..... 1¼ c. lb.
Rice-flour and rice-meal..... 20 p. c.
Hay ..... $2 p. ton.
Honey ..... 20 c. gal.
Hops..... 8 c. lb.
Milk, preserved or condensed..... 20 p. c.

FISH.

Mackerel..... 1 c. lb.
Herrings, pickled or salted ..... ½ c lb.
Salmon, pickled ..... 1 c. lb.
Other fish, pickled, in barrels..... 1 c. lb.
Foreign-caught fish, imp'ted, otherwise than in bar'ls or half bar'ls, not provided for ..... 50 c. 100 lb.
Anchovies and sardines, packed in oil or oth'wise in tin bxs., p. size.. 10 c. p. box.
In ½ bxs., meas'ring not more than 5 in. long, 4 wide and 1⅝ deep.... 5 c. deep.
In ¼ boxes, meas'ng not more than 4¾ in. long, 3½ wide and 1¼ deep 2½ c. each.
In any other form..... 40 p. c.
Fish preserved in oil ..... 30 p. c.
Salmon and all other fish, prep'd or pres'ved, and prep'd meats of all kinds, not provided for..... .... 25 p. c.
Pickles and sauces, not prov'd for .. 35 p. c.
Potatoes ..... 15 c. bush.
Vegetables in natural state or in salt or brine not provided for ..... 10 p. c.
Vegetables, not oth'wise prov'd for.. 30 p c.
Chicory root..... 2 c. lb.
Vinegar ..... 7½ c gal.
Acorns and dandelion root, and all other articles intended to be used as coffee or as substitutes thereof, not provided for ..... 2 c. lb.
Chocolate ..... 2 c. lb.
Cocoa, prepared or manufactured... 2 c. lb.

FRUITS.

Currants, Zante or other ..... 1 c. lb.
Dates, plums and prunes..... 1 c. lb.
Figs..... 2 c. lb.
Oranges, per size ..... 25 c. box. 13c. ½ box $1.60 p. M. 55 c. bbl
Lemons, per size..... 30 c. box. 16 c. ½ box. $2 p. M.
Lemons and oranges, in packages, not provided for..... 20 p. c.
Limes and grapes..... ..... 20 p c.
Raisins..... 2 c. lb.
Fruits preserved in their own juices and fruit juice ..... 20 p. c.
Comfits, sweetmeats or fruits preserved in sugar, spirits, sirup or mol'ses, not prov'd for, and jellies . 35 p. c.

NUTS.

Almonds ..... 5 c. lb.
Shelled..... 7½ c. lb.
Filberts and walnuts..... 3 c. lb.
Peanuts or ground beans..... 1 c. lb.
Shelled..... 1½ c. lb.
Nuts, not provided for ..... 2 c. lb.
Mustard, ground or preserved ..... 10 c. lb.

Schedule H—Liquors.

Champagne and all other sparkling wines ..... $7 doz. qt. bottles. $3.50 doz. pt. bottles. $1.75 doz. ½ pt bot.
Bottles of more than one quart each. $2.25 gal. on ex of qt.
Still wines, in casks..... 50 c. gal.
In bottles..... $1.60 case doz. qt. bot.
On any excess of these quantities.... 5c. pt. on ex.
Vermuth ..... 50 c. gal.

Wines, brandy, and other spirituous liquors, imp. in bots., shall be in pkgs. of not less than 1 doz. bots.. 3c. on ea. bt.
Brandy and other spirits manuf'd or distilled from grain or other materials and not provided for.... $2 p. gal.
On all comp'ds or prep'ns of which dist. spirits are compo'nt part of chief value, not spec. provi'd for.. $2 p. gal.
Cordial and liquors not provi'd for.. $2 p. gal.
Bay rum or bay water ..... $1 p. gal.
Ale, porter and beer in bottles or jugs of glass, stone or earthenware..... 35 c. gal.
Otherwise than in bottles..... 20 c. gal.
Ginger ale or ginger beer..... 20 p. c.

Schedule I—Cotton and Cotton Goods.

Cot'n thread, yarn, warps, or warp-yarn, whether single or advanced beyond the cond'n of single by twist'g two or more single yarns tog'her, value not exc'd'g 25 c lb .. 10 c. lb.
Over 25 and less than 40 c..... 15 c. lb.
Over 40 and not exceeding 50 c ..... 20 c. lb.
Over 50 and not exceeding 60 c ..... 25 c. lb.
Over 60 and not exceeding 70 c ..... 33 c. lb.
Over 70 and not exceeding 80 c ..... 38 c. lb.
Over 80 c. and not exceeding $1..... 48 c. lb.
Over $1 ..... 50 p. c.
On all cotton cloth not ble'ed, dyed, colored, stain'd, paint'd or print'd, and exceeding 100 threads to the sq. in., counting w'rp and filling .. 2½c. sq. yd.
If bleached ..... 3½c. sq. yd.
If dyed, colored, stained, painted, or printed ..... 4½c. sq. yd.
On all cotton cloth, not ble'ed, dyed, colored, stain'd, paint'd or print'd, and not exc'di'g 200 threads to the sq. in., counting warp and filling.. 3 c. sq. yd.
If bleached ..... 4 c. sq. yd.
If dyed, colored, stained, painted or printed..... 5 c. sq. yd.
On all cotton cloth not exceeding 200 threads to the square inch, counting the warp and filling, not bleached, dyed, colored, stained, painted or printed, valued at over 8 c. p. sq. yd.; bleached, valued at over 10 c. p. sq. yd., dyed, colored, stained, painted or printed, valued at over 13 c. p. sq. yd ..... 40 p. c.
On all cotton cloth, exceeding 200 threads to the square inch, counting the warp and filling, not bleached, dyed, colored, stained, painted or printed..... 4 c. sq. yd.
If bleached..... 5 c. sq. yd.
If dyed, colored, stained, painted, or printed..... 6 c. sq. yd.
On all such cot'n cloths not bleached, dyed, colored, stained, painted or printed, valued at over 10 c. p. sq. yd.; bleached, valued at over 12 c. p. sq. yd., and dyed, colored, stained, painted or printed, valued at over 15 c. p. sq. yd ..... 40 p. c.
On stockings, hose, half-hose, etc., made on knitting machines or frames, composed wholly of cotton and not otherwise provided for.... 35 p. c.
On stockings, hose, half-hose, etc., fashioned, narrowed, or shaped wholly or in part by knitting machines or frames, or knit by hand and composed wholly of cotton ... 40 p. c.
Cotton cords, braids and corsets .... 35 p. c.
Cot'n lace, emb'd'ies, insert gs, etc . 40 p. c.
Spool thread of cotton, not over 100 yds. on spool ..... 7 c. doz.
Exceeding 100 yds..... 7 c. doz. ea. ad. 100 yds. of cotton.

Schedule J—Hemp, Jute and Flax Goods.

Flax straw ..... $5 p. ton.
Flax not hackled or dressed ..... $20 p. ton.
Flax, hackled, known as "dressed line" ..... $40 p. ton.
Tow, of flax or hemp ..... $10 p. ton.
Hemp, manilla and other like substitutes for hemp not provided for... $25 p. ton.
Jute butts ..... $5 p. ton.
Jute ..... 20 p. c.
Sunn, sisal, grass and other vegetable substances, not provided for ..... $15 p. ton.
Brown and bleached linens, etc., not provided for ..... 35 p. c.
Flax, hemp and jute yarns ..... 35 p. c.
Flax or linen thread, twine, etc ..... 40 p. c.
Flax or linen laces, insertings, etc... 30 p. c.
Burlaps, not exc'd'g 60 in. in width. 30 p. c.
Oil-cloth foundations, etc..... 40 p. c.
Oil-cloths for floors, stamped, painted, etc ..... 40 p. c.
Gunny cloth, not bagging, 10 c. or less per square yard..... 3 c. yd.
Over 10 c..... 4 c. yd.
Bags and bagging and manufactures not enumerated..... 40 p. c.
Bagging for cotton, 7 c. or less sq. yd. 1½c. lb.
Over 7 c..... 2 c. lb.
Tarred cables or cordage..... 3 c. lb.
Untarred manilla cordage ... . 2½c. lb.
All other untarred cordage ..... 3½c. lb.
Seins and sein and gilling twine..... 25 p. c.
Sail duck or canvas for sails ..... 30 p. c.
Russia and other sheetings ..... 35 p. c.
All other man'f's of hemp or manilla. 35 p. c.
Grass-cloth..... 35 p. c.

Schedule K—Wool and Woolens.

Wools of the 1st class, valued at the last port whence exported to the U. S., excluding the charges in such port, at 30 c. or less per lb... 10 c. lb.
Over 30 c. per lb..... 12 c. lb.
Wools of the 2d class, valued at the last port whence exported to the U. S., excluding charges in such port, at 30 c. or less per lb ..... 10 c. lb.
Valued at over 30 c. per lb ..... 12 c. lb.
Wools of the 3d class, valued at the last port whence exported to the U. S., excluding charges in such port, at 12 c. or less per lb..... 2½ c. lb.
Valued at over 12 c. per lb..... 5 c. lb.
Woolen rags, shoddy m'ngo & waste 10 c. lb.
Woolen cloths, woolen shawls and all manuf'res of wool, not specially provided for, valued at not exceeding 80 c. per lb ..... 35 c. lb.
Valued at above 80 c. per lb ..... 35 p. c.
35 c. lb. 40 p. c.
Flan'ls, blankets, hats of wool, knit goods and all goods m'de on knit'g fr'm's, balm'ls, wo'l'n and worst'd yarns and all manufac's of every desc'pti'n, composed wholly or in part of worsted, the hair of the alpaca goat or other animals (except such as are co'p'sed in part of wool) not specially provided for, 10 c. lb.
Valued at not exceed'g 30 c. per lb.. 35 p. c.

Valued at above 30 c. per lb. and not exceeding 40 c. per lb	12 c. lb. and 35 p. c.
Valued at above 40 c. per lb. and not exceeding 60 c. per lb	18 c. lb. and 35 p. c.
Valued at above 60 c. per lb. and not exceeding 80 c. per lb	24 c. lb. and 35 p. c.
Valued at above 80 c. per lb	35 c. lb. and 40 p. c.
Bunting	10 c. sq. yd. and 35 p. c.
Wom'n's and chil'r'n's dress goods, coat linings, Italian cloths and like goods, composed in part of wool, worsted, the hair of the alpaca goat or other animals, valued at not exceeding 20 c. per sq. yd.	5 c. sq. yd. and 35 p. c.
Valued at above 20 c. per sq. yd	7. c. sq. yd. and 40 p. c.
If composed wholly of wool, worsted, the hair of the alpaca goat or other animals, or of a mixture of them	9 c. sq. yd. and 40 p. c.
But all such goods with selvedges, made wholly or in part of other mate'als, or with threads of other mat'rials inter'd'c'd for the p'rp'se of changing the classification	9 c. sq. yd. and 40 p. c.
All such goods weighing over 4 oz. per sq. yd	35 c. lb. and 40 p. c.
Clothing, ready-made, and wearing apparel of every description, not provided for	40 c. lb. and 35 p. c.
Cloaks, dolmans, jackets, talmas, ulsters, etc	45 c. lb. and 40 p. c.
Webbings, gorings, suspenders, braces, beltings, etc	30 c. lb. and 50 p. c.
Aubusson, Axminster and chenille carpets, and carpets woven whole for rooms	45 c. sq. yd. and 30 p. c.
Saxony, Wilton and Tournay velvet carpets	45 c. sq. yd. and 30 p. c.
Brussels carpets	30 c. sq. yd. and 30 p. c.
Patent velvet and tapestry velvet carpets, printed on the warp or otherwise	25 c. sq. yd. and 30 p. c.
Tapestry Brussels carpets, printed on the warp or otherwise	20 c. sq. yd. and 30 p. c.
Treble ingrain, 3-ply and worsted-chain Venetian carpets	12 c. sq. yd. and 30 p. c.
Yarn, Venetian, and 2-ply ingrain carpets	8 c. sq. yd. and 30 p. c.
Druggets and bockings, printed, colored or otherwise	15 c. sq. yd. and 30 p. c.
Hemp or jute carpeting	6 c. sq. yd.
Carpets and carpetings of wool, flax or cotton	40 p. c.
Mats not exclusively of vegetable mate's, scre'ens, has'cks and rugs.	40 p. c.
Endless belts or felts for paper or printing machines	20 c. lb. 30 p. c.

Schedule L—Silk and Silk Goods.

Silk, partly manufactured	50 c. lb.
Thrown silk, in gum, not more advanced than singles	30 p. c.
Lastings, mohair cloth, silk twist, patterns for buttons, exclusively	10 p. c.
Silk goods, wares and merchandise, not provided for	50 p. c.

Schedule M—Books, Papers, Etc.

Books, pamphlets, bound or unbound, and all printed matter not provided for, engravings, etchings, illustr'd books, maps and charts	25 p. c.
Blank-books, bound or unbound, and blank-books for press-copying	20 p. c.
Paper box's and all oth'r fancy boxes	35 p. c.
Paper, sized or glued, suitable only for printing paper	20 p. c.
Printing paper, unsized, used for books and newspapers exclusively	15 p. c.
Paper, manufacturers of, or of which paper is a component material, not provided for	15 p. c.
Sheathing paper	10 p. c.
Paper envelopes	25 p. c.
Paper-hangings and paper for screens or fire-boards, etc.	25 p. c.
Pulp, dried for paper-makers' use	10 p. c.

Schedule N—Sundries.

Alabaster and spar statuary, etc	10 p. c.
Articles comp's'd of grass, osier, etc.	30 p. c.
Be'ds and be'd or'm'ts, exc'pt amb'r	50 p. c.
Blacking of all kinds	25 p. c.
Bladders, manufactures of	25 p. c.
Bone, horn, ivory, etc	30 p. c.
Bonnets, etc., of chip, grass, palm-leaf, etc	30 p. c.
Bouillons or can'tille, metal thread'ds	25 p. c.
Bristles	15 c. lb.
Broom of all kinds	25 p. c.
Brushes of all kinds	30 p. c.
Bulbs and bulbous roots	20 p. c.
Burr-stones	20 p. c.
Buttons and button-molds	25 p. c.
Candles and tapers of all kinds	20 p. c.
Canes and sticks for walk'g finished.	35 p c.
If unfinished	20 p. c.
Card-cases, pocketbooks, shell box's, etc	35 p. c.
Card-clothing	25 c. sq. ft.
When manufactured from tempered steel wire	45 c. sq. ft.
Carriages, and parts of	35 p. c.
Chronometers, box or ship	10 p. c.
Clocks and parts of clocks	30 p. c.
Coach and harness furniture of all kinds, etc	35 p. c.
Coal slack or culm	30 c. ton.
Coal, bituminous and shale	75 c. ton.
Coke	20 p. c.
Combs	30 p. c.
Composition of glass or paste, when not set	10 p. c.
Coral, cut, manufactured or set	25 p. c.
Corks and cork bark, manufactured	25 p. c.
Crayons of all kinds	20 p. c.
Dice, draughts, chessmen, etc	50 p. c.
Dolls and toys	35 p. c.
Emery grains and emery manufact'd	1 c. lb.
Ep'ulets, gallo'ns, laces, knots, etc.	25 p. c.
Fans	35 p. c.
Feathers of all kinds, crude	25 p. c.
When dressed, colored or manufac'd	50 p. c.
Finishing powder	20 p. c.
Fire-crackers of all kinds	100 p. c.
Floor-matting and floor-mats	20 p. c.
Friction or lucifer matches	35 p. c.
Fulminates, fulminating powders	30 p. c.
Fur, articles made of	30 p. c.
Gloves, kid or leather	50 p. c.
Grease	10 p. c.
Grindstones	$1.75 ton.
Gunpo'der and all explo've sub'ces, valued at 20 c. or less per lb	6 c lb.
Valued above 20 c. per lb	10 c. lb.
Gun-wads of all descriptions	35 p. c.
Gutta-percha, manufactured	35 p. c.
Hair, human, bracelets, braids, etc.	35 p. c.
Curled hair, except of hogs	25 p. c.
Human hair, raw, unclean and not drawn	20 p. c.
If clean or drawn but not manuf'd	30 p. c.
When manufactured	35 p. c.

Hair cloth..... 30 p. c.
Hair seating..... 30 c. sq. yd.
Hair pencils..... 30 p. c.
Hats, and materials for braids, etc.. 20 p. c.
Hat-bodies, of cotton..... 35 p. c.
Hatters' furs and dressed furs ..... 20 p. c.
Hatters' plush of silk or of silk and cotton..... 25 p. c.
Hemp seed and rape seed ..... ¼ c. lb.
India rubber fabrics..... 30 p. c.
Art'l's of India rub'r not prov'd for. 25 p. c.
India rubber boots and shoes..... 25 p. c.
Inks of all kinds and ink powders... 30 p. c.
Japanned ware of all kinds..... 40 p. c.
Jet, manufacturers and imitations... 25 p. c.
Jewelry of all kinds ..... 25 p. c.
Leather, bend or belting..... 15 p. c.
Calfskins, tanned, and dressed upper leather..... 20 p. c.
Skins, for morocco, tanned, but unfinished ..... 10 p. c.
All articles of leather, not prov'd for 30 p. c.
Lime..... 10 p. c.
Garden seeds ..... 20 p. c.
Linseed or flaxseed ..... 20 c. bush.
Marble, in block, rough or squared.. 65 c. cub. ft.
Veined marble, sawed, dressed or otherwise..... $1.10 cub. ft.
Manufac't of marble not prov'd for.. 50 p. c.
Musical instruments .... 25 p. c.
Paintings in oil or water colors, and statuary..... 30 p. c.
Osier or wil'w for baskkt-mak'rs' use 25 p. c.
Papier-mache articles..... 30 p. c.
Pencils of wood filled with lead or other material and pencils of lead . 50 c. gross & 30 p. c.
Pencil-leads not in wood ..... 10 p. c.
Percussion caps ..... 40 p. c.
Philosophical apparatus and instruments ..... 35 p. c.
Pipes, pipe-bowls..... 70 p. c.
Common pipes of clay..... 35 p. c.
Plaster of Paris..... 20 p. c.
Playing cards..... 100 p. c.
Polish'g powd'rs of every desc'p't'n. 20 p. c.
Precious stones of all kinds..... 10 p. c.
Rags..... 10 p. c.
Rattans and reeds. ..... 10 p. c.
Salt, in bags, sacks, barrels .. .. 12c 100 lbs.
In bulk..... 8 c. 100 lbs.
Scagliola and composition tops ..... 35 p. c.
Sealing-wax ..... 20 p c.
Shells, whole or parts of..... 25 p. c.
Stones, unmanufac'd or undressed, freestone, etc ..... $1 p. ton.
Stones, as above, hewn, dressed or polished..... 20 p. c.
Strings of catgut..... 25 p. c.
Tallow..... 1 c. lb.
Teeth, manufactured..... 20 p. c.
Umbrella and parasol ribs, stretcher-frames, etc ..... 40 p. c.
Umbrellas, parasols, covered with silk or alpaca..... 50 p. c.
Other umbrellas .... 40 p. c.
Umbrellas, parasols and sunshades, frames and sticks for, not provided for ..... 30 p. c.
Waste ..... 10 p. c.
Watches, watch-cases, watch-movements, parts of watches, and watch materials, not provided for..... 25 p. c.
Webbing ..... 35 p. c.

ARTICLES FREE OF DUTY.

Actors' costumes and effects intended for personal use.
Animals for breeding purposes.
Antiquities not for sale.
Articles and tools of trade.
Art works of American artists.
Bed feathers.
Birds, land and water fowl.
Books printed over 20 years.
Bullion, gold and silver.
Coal, anthracite.
Cocoa, crude.
Coffee.
Collections of antiquities, etc., for use in colleges, museums, incorporated societies, etc.
Diamonds, rough.
Drugs, crude, used in dyeing or tanning.
Effects of American citizens dying abroad, if accompanied by consular certificate.
Engravings (engraved over 20 years).
Farina.
Fertilizers.
Fruits and nuts, green, ripe, dried.
Furs, undressed.
Hides, raw.
Household effects in use abroad over one year and not for sale.
India rubber, crude.
Macaroni and Vermicelli.
Mineral waters, natural.
Mother of pearl, unmanufactured.
Natural history specimens (not for sale).
Newspapers.
Periodicals.
Personal effects when old and in use over one year.
Plants, trees and shrubs.
Rags, not wool, for paper stock.
Sausages, Bologna, German, skins.
Scientific instruments for colleges.
Skins, raw.
Tapioca.
Tea.
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